



Bodal Chemicals Ltd.
COLOURS. INTEGRATION. INNOVATION.

TRANSFORMATION IN PROGRESS

ANNUAL REPORT | **2021-22**





INSIDE COVER

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An electronic version of this Report is available online at:

<https://bodal.com/annual-report-audit.php>

Scan this QR code to navigate investor-related information



INVESTOR INFORMATION

Market Capitalisation (as on 31st March 2022)	: ₹ 1,234.62 Crores
BSE Code	: 524370
CIN	: L24110GJ1986PLC009003
NSE Symbol	: BODALCHEM
Bloomberg Code	: BODL:IN
Dividend	: ₹ 0.80 per share
AGM Date	: 26 th September, 2022
AGM Mode	: VC/OAVM

Disclaimer: This document contains statements about expected future events and financials of Bodal Chemicals Limited ('Bodal', 'the Company' or 'We'), which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.



TRANSFORMATION IN PROGRESS

Bodal Chemicals has consistently sought innovation and the realisation of aspirations via the wonder of chemistry throughout the years. The Company works to develop cutting-edge technologies to promote economic growth, harmony with the society and the environment at large. It has grown to include new products, as it strategically expanded its manufacturing capabilities by increased capex spendings, and transitioned to serve society by developing new technologies and materials that will influence the industry's future. Throughout, keeping the market's demands in mind, it is still evolving to retain a competitive edge in the market.

Thus, from improving bottom lines by cost effective innovations to path breaking research, in order to offer better solutions to our customers, Bodal Chemicals has been adapting itself at every step of the way and believes in being a transformation in progress for each step that brings it closer to fulfilling customer's needs.

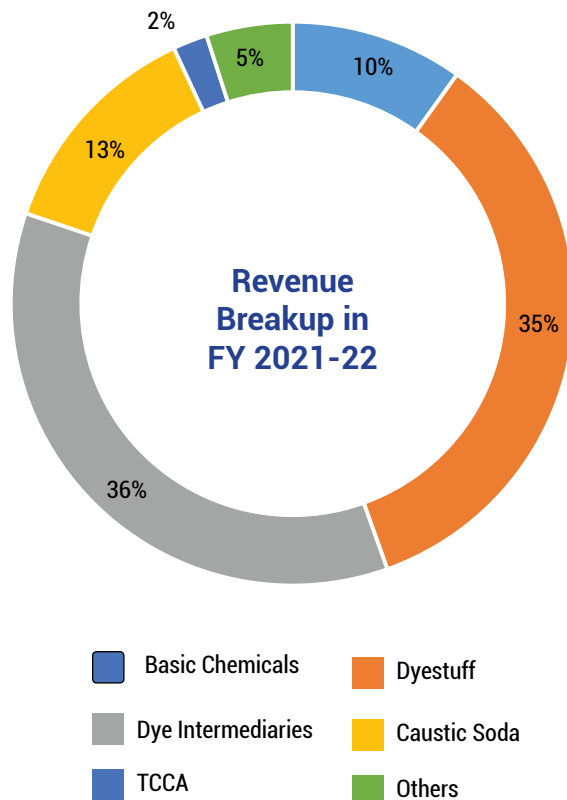
ABOUT BODAL CHEMICALS

Bodal Chemicals is one of the world's major manufacturers and exporters of Dyes Intermediate, Dyestuff, and Sulphuric Acid, with vertical and horizontal integration that delivers product and service solutions to their clients in the shortest feasible time. The Company is backed up by technological know-how and competence in the production of Dyes Intermediates and

other specialty chemicals. Incorporated in the year 1989 and later listed in 2006, Bodal Chemicals is a globally integrated and innovative company that provides end-to-end solutions to its clients.

₹ **20,680** million

Consolidated Revenue in FY 2021-22



Over the years, the Company has managed to stay consistent and expanded the business. This has been made possible by the following important strengths:

3 Decades

Home-grown brand with thorough awareness of the Indian and global chemical markets

4

Operating subsidiaries

INTEGRATED BUSINESS MODEL

State-of-the-art manufacturing, cost competitiveness, commodity cycle protection and efficient distribution channel backed by an integrated business framework.

10

Manufacturing facilities

39,000 MTPA

Dye intermediates capacities

45,000 MTPA

Dyestuff (including liquid dyes) capacities

22,6000 MTPA

Basic chemicals

82,500 MTPA

Caustic soda

12,000 MTPA

TCCA

70+

Distributors across India

7 Domestic **+** **3** Overseas depots

IN-HOUSE R&D FACILITIES

Well-equipped manufacturing and research facilities with strict commitment to quality standards and focus on innovation.

3

R&D facilities

200+

Products

STRONG RELATIONS WITH MARQUEE CLIENTS

Our strict dedication to quality has earned us long-term business associations with diverse clientele across the world.

600+

Customers

~20%

Domestic market share of Dye intermediates

~13%

Domestic market share of Dyestuff

~6%

Global market share of Dye intermediates

~3%

Global market share of Dyestuff

ROBUST COMPLIANCE

Environmental compliance is strictly enforced using in-house MEEP and ETP facilities



EXPERIENCED MANAGEMENT TEAM

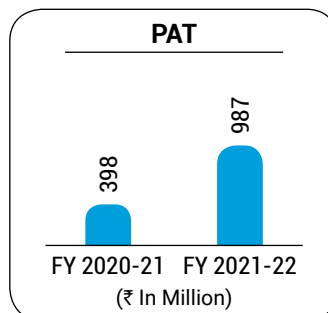
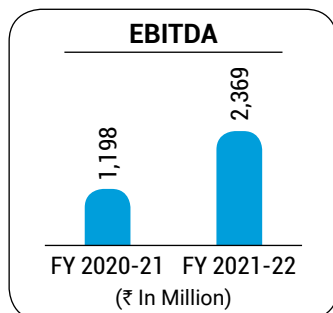
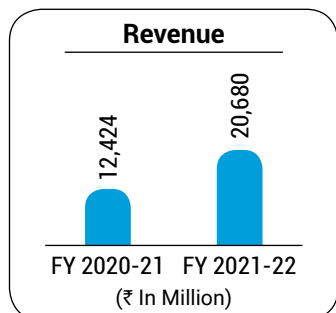
With their significant expertise and experience in the chemical industry, the senior management team has propelled the growth of the organisation through the years.

30+ Management experience in years

2,025 Total workforce



GROWTH IN NUMBERS

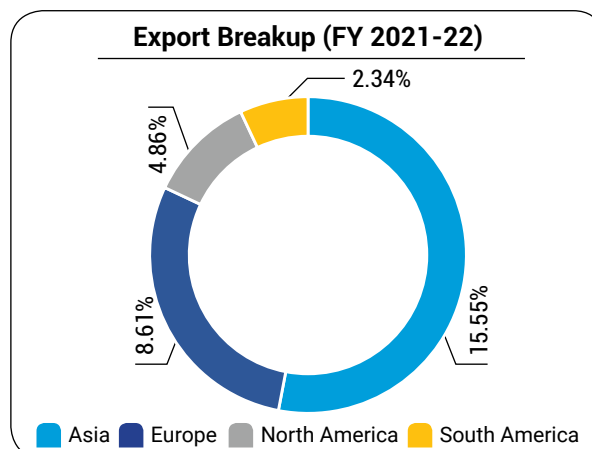
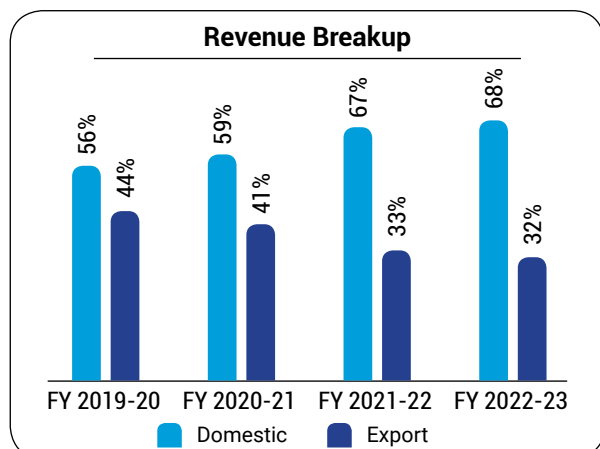
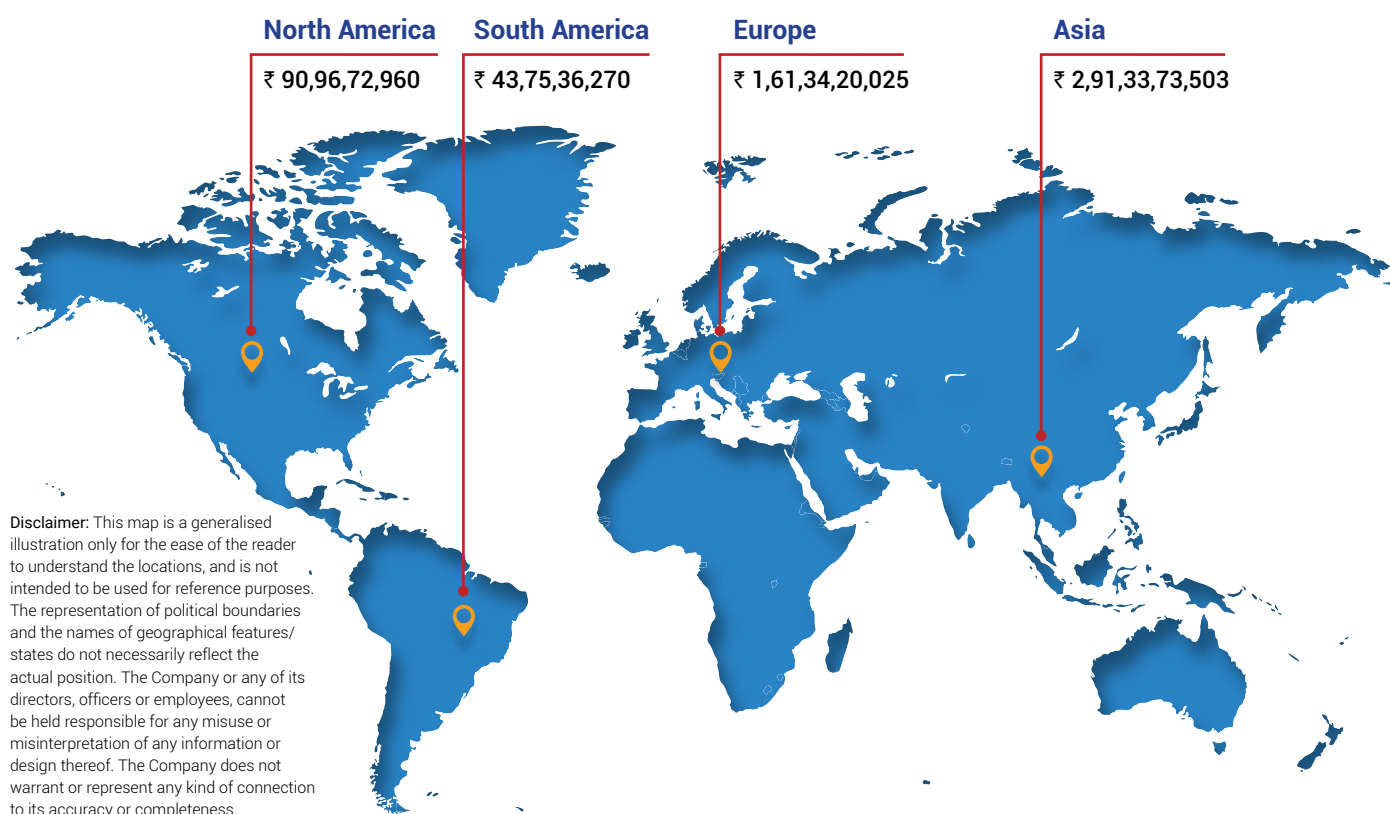


All numbers are on consolidated basis for FY 2021-22

EBITDA: Earnings before Interest, Taxes, Depreciation and Ammortisation **PAT:** Profit After Taxes

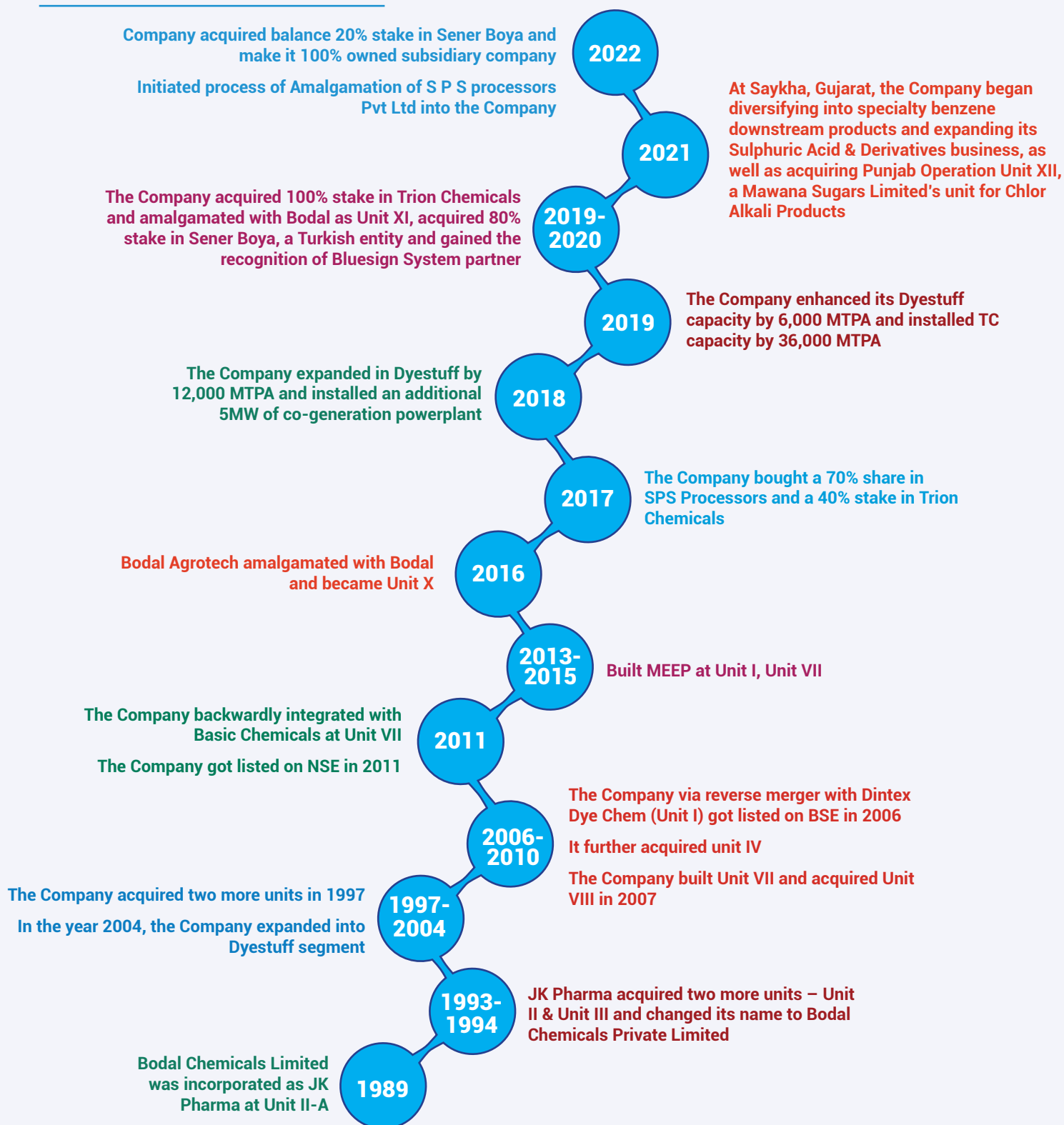
GEOGRAPHICAL FOOTPRINTS

Bodal has a presence in over 45 countries and derives about 32% of its revenue from exports.



on standalone basis

EVOLUTION



DIVERSIFIED PRODUCT PORTFOLIO

As one of the world's largest manufacturers and exporters of dye intermediates and dyestuffs, the Company's vertically and horizontally integrated operations provide clients with-solutions in the quickest time possible. Textiles, leather, paper, pharma, agro-chemicals, water treatment, and home care are just a few of the end-user industries it serves. The product line of the organisation is divided into the following categories:

BASIC CHEMICAL

- Sulphuric Acid
- Chlorosulphonic Acid
- Sulphur Trioxide
- Oleum 23% & 65%
- Sodium Bisulphate
- Acetanilide
- Thionyl Chloride
- Beta Nephthol
- Para Nitro Aniline

DYESTUFF

- Reactive Dyes
- Acid Dyes
- Direct Dyes
- Liquid Dyes

DYE INTERMEDIARIES

- Vinyl Sulphone & Derivatives
- H. Acid
- DASA
- F.C. Acid
- Gamma Acid, K. Acid
- Sulpho Tobias Acid
- 4.N.A.D.P.S.A
- 6-Nitro
- MPDSA
- Meta Ureido Aniline
- 1:2:4 DIAZO

CHLOR ALKALI

- Caustic soda
- Chlorine
- Hydrogen
- Hydrochloric Acid (HCL)
- Sodium Hypochlorite (HYPO)
- Stable Bleaching Powder (SBP)

The Company is now moving from Integrated Dyestuff to niche value-added products and it is under process of expanding and diversifying its product portfolio. These include:

SULPHURIC ACID

- Sulphuric Acid
- Oleum (23%-65%)
- Liquid SO₃
- Chloro Sulphonic Acid

BENZENE DERIVATIVE

- MCB
- PNCB
- ONCB
- MNCB
- DNCB
- PNA
- 2,4 DNCB
- MPDSA

CHAIRMAN'S MESSAGE



“We have developed a strong foundation and a very resilient and diversified business over the years. Our diverse portfolio also enables us to cater a variety of markets and application areas. We have acquired the flexibility and agility needed to succeed in today's demanding markets, as well as the capacity to adapt quickly and effectively to demand variations, as a leading global player.”

Dear Shareholders,

The year 2022 will be remembered as the year when the world began to overcome the Covid-19 pandemic's difficulties gradually and slowly. Despite the pandemic, Bodal Chemicals' performance remained consistent throughout the year as the economy recovered. We have been able to use our leading position in today's market, when Indian suppliers are rising as preferred partners internationally. While adapting to the new normal, we also made many improvements to our approach and fortified our core.

Industry Trends

India is the world's leading exporter and importer of chemicals, ranking 14th in exports and 8th in imports (excluding pharmaceuticals). With small chemical businesses in China stopping operations as a result of stringent measures and environmental regulations, India is rising as the next alternative supplier for the global market. The Government has taken various measures to lessen reliance on chemical imports. With more Government assistance, the industry is likely to advance at a CAGR of 11%. Within the industry, there has been a significant structural transformation. The number of unorganised companies in the Dye intermediates and Dyestuff industry is steadily decreasing. There has been an upsurge in the number of businesses that are both backward integrated and comply with global environmental standards.

At Bodal, we are highly integrated and operate on a large scale. We are expanding our product basket, have meaningful capacity across various products to serve the demand of end-users and are constantly strengthening our client relationships as well as establishing ourselves as a reliable supplier in the global market.

Financial Performance

For the year under review FY 2021-22, the Company's total revenue was ₹ 20,680 million and witnessed a growth of 67% compared to same period last year. The primary forces behind this rise were an improved pricing realisation and an improved product portfolio. The Dyestuff business grew dramatically in FY 2021-22, with sales of ₹ 6,995 million, up from ₹ 3,989

million in FY 2020-21, witnessing a 75% growth on a year-over-year basis. Dye intermediate chemicals made a revenue of ₹ 7,353 million this year, up from ₹ 5,570 million in FY 2020-21, a 33% increase on a year-over-year basis. Our basic chemical division also had a strong year, with high demand for all important compounds. The Chlor Alkali business also had a strong year in FY 2021-22, with revenue of ₹ 2,540 million, thanks to increased volume and caustic soda realisation. Exports accounted for 32% of our overall revenue. All of our major verticals have witnessed tremendous growth, and we want to continue this trend by entering new markets and expanding our operations.

Capacity Expansion

To boost capacity for Specialty Benzene Downstream Products and Sulphuric Acid and its Derivatives by 78,960 MTPA and 340,000 MTPA, respectively. Our Company is spending about ₹ 4,000 million in a greenfield plant in Saykha, Gujarat. At maximum utilisation, this project could provide additional revenues of about ₹ 5,500 million with EBITDA margins of 15% to 18%. As far as Rajpura, Punjab is concerned, total capex is estimated to be around ₹ 2,700 million, a fraction of which is incurred in FY 2021-22 and the remaining will be done in FY 2022-23. At Punjab Chlor Alkali is a fully operational business that contributes to our revenue and bottom line. Our output is anticipated to rise by about 1 Lacs MTPA as a result. After the facility is modernised to reach optimal utilisation levels, SCC anticipates generating an extra ₹ 3,000 million in revenue with EBITDA margins of 20% to 22%.

Product Diversification

With our recent acquisitions, we are expanding and diversifying our product portfolio to include Benzene derivatives and Chlor Alkali products, which have uses in the pharmaceutical, agrochemical, and paper sectors, among others. Opening up opportunities to cater a strong client base. Our goal is to go up the value chain and expand our business beyond basic dyestuffs and intermediates to include speciality chemical products. At the Saykha facility, we will also produce Benzene-based downstream products such as MCB, PNCB, ONCB, MNCB, DNCB, PNA, 2,4 DNCB, and MPDSA. These products will be marketed to our current customers, and a portion of them will also be utilised for captive reasons. In addition to expanding product portfolio and serving a vast client base, our initiatives are also

expected to substitute imports and result in cost efficiency, better productivity and margin improvement.

Our Commitment to Sustainability

Sustainability is at the heart of our Company. It is embedded in our core activities and drives our growth. We are a responsible corporate and believe in successfully balancing environmental stewardship, social progress, ethical business conduct and economic success to generate sustainable value for all our stakeholders. As part of our collaboration with Advent Envirocare, we have implemented the world's most modern technology for environmental conservation. Our safety functions have been reformed and expanded to become the Environment, Health, Safety, and Sustainability (EHSS) department. We have also participated in several certification programmes and are acquainted with environmental certifications such as ISO, Bluesign, ZDHC, and GOTS. At Bodal Chemicals, we believe in inclusive and all-round growth to our communities. Our Company has been driving positive impact to our communities through our contribution under various Trusts and NGOs like YUVA. We also extended support to our people and our communities during the pandemic.

Closing Thoughts

We have developed a strong foundation and a very resilient and diversified business over the years. Our diverse portfolio also enables us to cater a variety of markets and application areas. We have acquired the flexibility and agility needed to succeed in today's demanding markets, as well as the capacity to adapt quickly and effectively to demand variations, as a leading global player.

I would like to express my gratitude to our customers, suppliers, bankers and other partners as well as our fellow Directors and senior leadership team for their continuous belief in our abilities and for assisting us in strengthening our procedures and growing into a world-class organisation. The fundamentals of our Company are solid enough to support great growth potential, enabling us to reach heights in the future.

With Regards,

Suresh J. Patel

Chief Executive Officer,
Chairman & Managing Director

GROWTH DRIVERS

DYESTUFF EXPANSION

The capacity for dyestuffs will be gradually increased to 35,000 MTPA. This would help in expanding the Company's revenue from Dyestuff segment.

TCCA DIVISION

The Company acquired a 100% stake in Trion Chemicals. Post this merger, the production has been stabilised and profitability has improved.

VINYL SULPHONE AT SPS

SPS's vinyl sulphone facility with a capacity of 6,000 MTPA has been commercialised. This is expected to expand the Company's revenue by an additional about ₹ 1000 Million.

TURKISH ENTITY SENER BOYA

The Company acquired a 100% stake in Turkish entity Sener Boya. This is expected to strengthen the Company's presence in Turkey and nearby markets.

BODAL CHINA

Bodal expects to expand its footprint in China through its Trading & Marketing subsidiary. This would benefit the Company by expanding Bodal's revenue from China.

RAJPURA, PUNJAB UNIT

The recently acquired Chlor Alkali segment has started contributing to Bodal's business. The Company expects this segment to grow gradually and result in revenue expansion.

MARKETING INITIATIVE

Opened multiple warehouses & incorporated marketing subsidiaries to strengthen relationship with marquee clients directly. This is expected to improve the Company's relationship with its clients.

SAYKHA PROJECT

With Sulphuric Acid and Benzene Downstream products, the Greenfield Saykha Project is expected to drive growth and revenue from Q2 FY 2023-24.

OUR CSR ACTIVITIES

Corporate social responsibility is a mirror that reflects the Company's internal workings on the outside. The fundamental goal of Bodal's Corporate Social Responsibility (CSR) programmes is to create social value via activities in the areas of healthcare, education, infrastructure development, sports promotion, and social concerns. Local residents are employed and the Company works with respected NGOs like YUVA and other Trusts to carry out CSR operations and leverages their expertise to maximise social impact.

The Company conducts its CSR activities in accordance with Ackerman's Model where:

- First Phase - The societal issue is acknowledged by top management
- Second Phase - The Company engages a staff specialist to investigate the problem and devise solutions
- Third Phase – The solutions derived are then implemented
- Delivery Mechanism - A major portion of the Company's CSR initiatives is carried out by an internal department. However, the Company also collaborates with a reputable organisation to plan, fund, implement, and evaluate programmes

Major CSR activities are undertaken by the Company in the areas where their manufacturing plants are located. The CSR activities undertaken during the year are as follows:

- Promoting healthcare and sanitation
- Contributing to construction of drinking water pipelines
- Conducting of regular health check-up camps
- Collaborating with various trusts such as YUVA Unstoppable
- Promoting sports and individual talents representing country in sporting events as well as contributing to Sports Council of the Deaf Basketball Club
- Eradicating hunger, poverty and malnutrition, promoting education and enhancement of rural infrastructure and ensuring environmental sustainability



ENVIRONMENTAL INITIATIVES

Environmental sustainability is no longer about causing as little harm as possible. It is more about doing greater good. The Company's circular economy model and sustainability policies rely on reducing its environmental footprint, conserving natural resources, and managing waste. The cost of following environmental regulations is substantial. In addition, rising industrial water and power expenses must be taken into account. The Company responds to all environmental difficulties it faces by adhering to the ethos of 'reduce, recover, and reuse' of natural resources.

Waste Water Treatment Initiatives

Water shortage might lead to restricted supply, which would affect the Company's manufacturing needs. The Company has deployed Effluent Treatment Facilities (ETFs), Multiple Effect Evaporator Facilities (MEEP), Brine Treatment Facilities (BTF), and Effluent Spray Dryer Facilities (ESDF) as respectable pollution control measures. These systems prevent any liquid from being discharged into the environment and also produces clean and reusable water as a result of the process.



The Company's pollution control systems include:

ETP is designed to clean industrial waste water so that it may be safely recycled or disposed off in the environment. Its characteristics are as follows:

- Treats low load waste water
- Compliant with GPCB, CPCB norms
- Capacity 500,000 litres/day
- Chemical oxidation
- Flocculation
- Clarification
- Bio-degradation by AIS
- Tertiary Poly system
- Online monitoring system



BTP is used to separate the salt in the wastewater from the dissolved sodium (Na) ions. Its characteristics are as follows:

- It is based on modern water's all-membrane brine concentration process (AMBC)
- It treats the effluent from Dyes and Zero Liquid Discharge (ZLD) is achieved at the end of treatment cycle

Installed World's First Brine Treatment Plant at Unit-VII

MEEP is used in industries which comprises of a series of heat exchangers that work together to evaporate water efficiently and provide the necessary concentration as an output. Its characteristics are as follows:

- Treats high load waste water
- Recovers salts - captive use/sold
- Capacity 500,000 litres/day
- Needs low steam & power
- Re-use of condensed water
- Integrated Zero Discharge System

ESDP treats industrial waste waters with evaporation and also extracts organic and inorganic salts. Its characteristics are as follows:

- Treats high load waste water beyond MEEP
- Minimizes treatment cost
- Spray Dryers: 3 x 100,000 litres/day
- Incinerators: 3 x 125,000 litres/day

Waste Water Treatment Initiatives

The chemical industry uses a lot of energy and emits a lot of CO₂. It accounts for more than one third of all worldwide greenhouse gas emissions. It has the potential to have a significant impact on climate change if not managed properly. As a response, the Company, at its Unit VII, has set a captive power plant with 5 MW of lignite and 1.73 MW of steam (waste recovery heat). This has resulted in cost savings by properly managing energy use, thereby creating a brighter future for the environment and communities.



CERTIFICATIONS



ISO 9001:2015 and ISO 14001:2015 certifications for production of Dye Intermediates & Dyestuffs

Bluesign Certification – Recognised as Bluesign System partner – Bluesign approved Product Supplier

GOTS (Global Organic Textile Standard) Certification

ZDHC Certification

ISO 45001: 2018 Certification

BEHIVE Certification

ECOTAX Certification

RECOGNITIONS

2019-2022

Received GDMA award for highest self manufacturing turn over

2018-2019

- ET Enterprise Icons 2018 Gujarat Best Brand Award 2018
- 25 Best Companies to Work For (Industry) 2019 by CEO Insights

2017-2018

- Second in large scale unit category for Excellent Performance in Export of Dyestuffs from the Dyestuffs Manufacturers' Association of India
- Listed amongst the Top 500 Indian Companies by the Dun & Bradstreet in 2018 for the second consecutive time

2016-2017

- First in large-scale unit category for outstanding performance on Domestic CHEMEXCIL - Award of Excellency

2015-2016

- CHEMEXCIL - Gold Award

2013-2014 AND 2016-2017

- Highest Self Manufacturing Turnover for Domestic and Export of Dyes and Dye Intermediates from the Gujarat Dyestuffs Manufacturers' Association

2011-2012 AND 2013-2014

- CHEMEXCIL - Trishul Award

2009-2010

- Award for direct export of Dye Intermediates and Dyestuffs from the Gujarat Dyestuffs Manufacturers' Association

2005-2006

- Received the prestigious CHEMEXCIL Gold Award for outstanding performance in Exports by Merchant Exporters Panel of CHEMEXCIL, Government of India

AWARDS



Divya Bhaskar
Business Icon 2022



GDMA Certificate



Divya Bhaskar
Business Icon 2022



Divyabhaskar
Business Icons 2022



GDMA Award
2019-20,2020-21

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Suresh J. Patel
Chairman and Managing Director

Mr. Bhavin S. Patel
Executive Director

Mr. Ankit S. Patel
Executive Director

Mr. Rajarshi Gosh
Director - HSE

Mr. Sunil K. Mehta
Independent Director

Mr. Nalin Kumar
Independent Director

Mrs. Neha Huddar
Independent Director

Mr. Mayank Mehta
Independent Director

CHIEF FINANCIAL OFFICER

Mr. Mayur B. Padhya

COMPANY SECRETARY

Mr. Ashutosh B. Bhatt

REGISTERED OFFICE

Plot No.: 123-124, Phase-I,
G.I.D.C. Estate, Vatva,
Ahmedabad-382 445,
Gujarat, India

CORPORATE OFFICE

'BODAL CORPORATE HOUSE',
Beside Maple Green Resi.,
Nr. Anand Niketan School,
Nr. Shilaj Circle, Off. SP Ring
Road, Thaltej, Ahmedabad-380
059, Gujarat, India

STATUTORY AUDITORS

RETIRING AUDITORS

Deloitte Haskins & Sells LLP
19th Floor, Shapath-V, B/s.
Crowne Plaza Hotel, Opp.
Karnavati Club, S.G. Highway,
Ahmedabad 380 015,
Gujarat, India

NEW AUDITORS

Naresh J. Patel & Co.
804, Mauryansh Elanza
Shyamal Cross Roads,
Satellite, Ahmedabad-380015,
Gujarat, India.

COMMITTEES OF BOARD AUDIT COMMITTEE

Mr. Sunil K. Mehta Chairman

Mr. Nalin Kumar Member

Mrs. Neha Huddar Member

Mr. Bhavin S. Patel Member

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr. Sunil K. Mehta Chairman

Mr. Nalin Kumar Member

Mr. Bhavin S. Patel Member

NOMINATION AND REMUNERATION COMMITTEE

Mr. Sunil K. Mehta Chairman

Mrs. Neha Huddar Member

Mr. Nalin Kumar Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Suresh J. Patel Chairman

Mr. Ankit S. Patel Member

Mr. Sunil K. Mehta Member

SHARE TRANSFER COMMITTEE

Mr. Suresh J. Patel Chairman

Mr. Bhavin S. Patel Member

Mr. Ankit S. Patel Member

RISK MANAGEMENT COMMITTEE

Mr. Suresh J. Patel Chairman

Mr. Ankit S. Patel Member

Mr. Rajarshi Gosh Member

Mr. Sunil K. Mehta Member

Mr. Bansi M. Patel Member

Mr. Mayur B. Padhya Member

BANKERS

Union Bank of India

HDFC Bank

Axis Bank

EXIM Bank

Indian Bank

BOARD'S REPORT

To THE MEMBERS OF BODAL CHEMICALS LIMITED,

The Directors hereby present their "36th ANNUAL REPORT" on the performance of the Company together with the audited financial statements for the financial year ('FY') ended on 31st March 2022

Financial Results:

Financial Results of the Company for the year under review along with figures of the previous year are as follows:

Particulars (₹ In Mn)	Consolidated			Standalone		
	FY22	FY21	Y-o-Y	FY22	FY21	Y-o-Y
Revenue from Operation	20,506.2	12,264.3		18,735.7	11,297.3	
Other Income	173.4	159.3		178.9	180.0	
Total Revenue	20,679.7	12,423.7	66.5%	18,914.6	11,477.3	64.8%
Raw Material Consumed	11,530.2	7,949.6		10,258.5	7,394.8	
Employee Expenses	1,104.6	777.5		1,017.3	706.3	
Other Expenses	5,675.6	2,498.2		5,194.7	2,194.3	
EBITDA	2,369.3	1,198.4	97.7%	2,444.1	1,182.0	106.8%
EBITDA (%)	11.5%	9.6%		12.9%	10.3%	
Depreciation	466.2	304.9		435.3	279.9	
EBIT	1,903.1	893.6		2,008.9	902.1	
EBIT (%)	9.2%	7.2%		10.6%	7.9%	
Finance Cost	294.8	166.5		210.0	92.2	
Exceptional Items	187.9	173.3		0.0	173.3	
Profit Before Tax	1,420.5	553.8		1,798.9	636.6	
Tax	433.8	156.2		440.7	153.5	
Profit After Tax	986.6	397.7	148.1%	1,358.2	483.2	181.1%
Profit After Tax (%)	4.8%	3.2%		7.2%	4.2%	
EPS (in ₹)	8.79	3.25		11.09	3.95	

Note: previous year's figures have been recast wherever necessary.

The Financial year under review 2021-2022

PERFORMANCE DISCUSSION

During the year under review- (Standalone & Consolidated)

Q1 FY 22:-

- Company's performance has been marginally impacted as Company were working with Limited workforce in the month of May due to sudden spike in Covid cases. For Q1FY22, Total income on consolidated basis stood at ₹4,282 million whereas on standalone basis, total income stood at ₹3,940 million.

- Company has successfully acquired Punjab Unit (Siel Chemical Complex). Depreciation of Turkish Lira V/S

USD has impacted our subsidiary SENER Boya and book MTM foreign exchange loss of ~₹20 million and same has impacted Company's profitability.

- 36% of our total business has been contributed from exports. Hence, increase in freight and transportation cost has increased our other expense meaningfully and same has impacted Company's profitability.

Q2 & H1 FY 22:-

- Consolidated Total Revenue for the H1FY22 stood at ₹8,996million, which was highest ever half year performance for the Company. This growth was primarily driven by rising demand from the end-user industry and structural demand shift due to global supply-side tightness. Various events in China and mounting

BOARD'S REPORT (CONTD.)

freight cost has disrupted the regular trade and vented into steep inflationary pressure on key raw materials. Being one of the renowned market leaders in Dyestuff and Dye-Intermediate products with a global market share of around 3% and 6%, the Company leveraged its leadership position in an environment that favours Indian manufacturers.

- Dyestuff business growth has been amplified and registered revenue of ₹3,171million in H1FY22 against ₹1,425million in H1FY21. In Dyestuff, all major products like Reactive Dyes, Acid Dyes, Liquid Dyes have performed well in Q2.

- Profitability has been marginally impacted in H1FY22 due to increases in input, transit, and finance costs. Expenses have increased not only in India but also in export markets which accounts for more than 34% of overall business. All key subsidiaries have reported meaningful business during Q2. However, foreign exchange and above expenses has squeezed the earnings of few subsidiaries.

Q3 & 9M FY22 :-

- Consolidated Total Revenue for the 9MFY22 was stood at ₹14,681million, which was the highest ever nine months performance for the Company. This growth was primarily driven by a better product mix and higher price realisation. Rising end-user demand and structural demand shifts as a result of global supply-side tightness have also helped Indian manufacturers like us who operate on a large scale.

- During the Quarter, the dyestuff business has grown significantly in 9MFY22, with revenue of ₹5,129million compared to ₹2,613 million in 9MFY21. All key products in the dyestuff category have performed well, as overall capacity utilisation has been moved northwards. Prices of dye intermediate products such as H Acid and Vinyl Sulphone surged during the quarter, reaching ₹470 per kg and ₹270 per kg, respectively, and the benefit of same was reflected in Q3FY22 result. For 9MFY22, Dye intermediates have registered a revenue of ₹5,222 million against ₹3,666 million in 9MFY21.

- 33% of our total business came from exports. Hence, increase in freight and transportation cost has increased our other expenses considerably. The unusual depreciation of the Turkish Lira Vs US dollar has affected our profitability at our subsidiary, SENER Boya, and

resulted in a foreign exchange loss of about ₹187million. Which has impacted profitability of the Company.

Q4 & FY22 :-

- Your company's total revenue in FY22 was ₹20,680million, a growth of 66% which was the highest-ever annual performance led by higher price realisation and a better product mix. Indian manufacturers like Bodal, which are highly integrated and operate on a large scale, have benefited from structural demand shifts as a result of global supply chain disruption.

- Your Company's dyestuff business, not only strengthening company's client relationships but also establishing Bodal as a reliable supplier on the global market. The dyestuff business has grown significantly in FY22, with revenue of ₹6,995million compared to ₹3,989million in FY21, an increase of 75% on YoY basis.

- Average prices for dye intermediates i.e. H Acid and Vinyl Sulphone, were ₹474 per kg and ₹288 per kg respectively in Q4FY22. This price had been remained volatile during the fourth quarter. FY2022, Dye intermediates made a revenue of ₹7,353million, compared to ₹5,570million in FY21, an increase of 33% on YoY basis. Company's basic chemical division reported robust performance as demand for all essential chemicals were high.

- Your Company's Chlor Alkali business reported a robust performance in FY22, with revenue of ₹2,540million driven by a healthy volume uptick and higher realisation from caustic soda.

- 32% of Company's total business came from exports. Hence, the increase in freight and transportation cost has increased Company's other expenses considerably. The Turkish Lira has been volatile throughout the year and has affected the annual performance. The impact on full-year basis has been incorporated into the consolidated financials. However, Company has taken appropriate steps to address the foreign exchange fluctuation and same was reflected in the Q4FY22 performance.

Bodal Chemicals Ltd. (BCL)

Bodal Chemicals Ltd. is the most integrated Dyestuffs Company in India and also the biggest manufacturer of Dye Intermediates in India. The Company's product range covers Dyestuffs, Dye Intermediates and Basic Chemicals broadly classified under Specialty Chemicals. It has a unique and integrated product line covering forward and backward integration to dye intermediates.

BOARD'S REPORT (CONTD.)

It contributes about 20% of India's capacity and about 5% of the world's capacity for Dye Intermediates. Out of the total production, about 33% is exported to over 45 countries across the world.

The Company is listed on BSE Ltd. (Bombay Stock Exchange) and National Stock Exchange of India Ltd. (NSE).

The broad areas of operations of the Company are as under:

Dyes

Your Company is a leading manufacturer of Reactive, Acid and Direct Dyes. Bodal Chemicals has capacity of manufacturing more than 150 variants of Dyestuff which are principally used as raw materials in Textiles, Leather, Paper & other Dyestuff consuming industries

Dye Intermediates

Bodal is the largest manufacturer of Dye Intermediates in India and among the leading manufacturers of Dye Intermediates in the world. Bodal Chemicals has capacity of manufacturing up to 25 Dyes Intermediates products. These Dye Intermediates are directly sold as well as consumed captively for manufacturing different kinds of Dyes.

Other/Basic Chemicals

Bodal is also a manufacturer of other Chemicals like Sulphuric Acid, CSA, Oleums, Beta Naphthol and Acetanilide. These Chemicals are used as key raw materials for production of Dye Intermediates, which is highly beneficial in terms of improving profitability of the Company.

Financial Performance of Operational Subsidiaries:

Particulars (₹ in million)	SPS		BCTPL		Sener Boya		Bodal-China	
	FY21	FY22	FY21	FY22	FY21	FY22	FY21	FY22
Sales	981.0	1,590.0	142.1	66.5	733.0	850.9	159.1	356.4
PBT	-41.2	-144.2	0.1	-0.6	-49.9	-257.2	12.1	28.0
PAT	-30.4	-114.7	0.1	-0.4	-68.6	-269.4	12.0	26.8

S P S PROCESSORS PVT. LTD. (SPS)

S P S Processors Pvt. Ltd. is a company engaged in manufacturing of dye intermediates.

Your Company is holding 70% equity stake in S P S Processors Pvt. Ltd, a subsidiary company of Bodal Chemicals Ltd.

SPS has a manufacturing plant located at Kosi, Uttar Pradesh, India having running operational capacity to produce 3,000 tons per annum (TPA) of H-Acid, a key Dye Intermediate. The manufacturing plant is a "zero discharge" unit.

Chlor Alkali – (Unit 12)

Your Company has acquired Unit from Mawana Sugar Ltd., Located as Rajpura, Punjab. The said unit Produces Chlor Alkali. Bodal Manufactures 6 Products at Unit 12. This Portfolio has benefited to the Company and has also improved Topline and bottom line of the Company.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES:

- Subsidiaries in India:

1. SPS Processors Pvt. Ltd.- Subsidiary Company- (In Process of Amalgamation with Bodal Chemicals Ltd)
2. Bodal Chemicals Trading Pvt. Ltd- Wholly Owned Subsidiary Company

- Subsidiaries outside India:

1. Bodal Chemicals Trading (Shijiazhuang) Co., Ltd.- Wholly Owned Subsidiary Company
2. SENER BOYA KIMYA TEKSTIL SANAYI VE TICARETANONIM SIRKETI- Wholly Owned Subsidiary Company
3. Bodal Bangla Ltd.- Wholly Owned Subsidiary Company
4. PT Bodal Chemicals INDONESIA - Wholly Owned Subsidiary Company

Associate Company

1. Plutoeco Enviro Association- Associate Company

- Step-down subsidiaries:

1. SENPA DIS TICARET ANONIM SIRKETI

BOARD'S REPORT (CONTD.)

S P S Processors Pvt. Ltd. also has all necessary permissions to manufacture Vinyl Sulphone another key Dye Intermediate, as well as Dyestuff, at the same plant.

With the available permissions, the Company has built a 6000 TPA Vinyl Sulphone plant and the same has become operational in February 2022

This investment will help the Company to increase its manufacturing capacity of Dye Intermediates and consolidate its position in the local and global markets of Dye Intermediates and Dyestuff.

Further Financial Results of the Company for FY 21-22 also available on website of the Company at www.Bodal.com

SCHEME OF AMALGAMATION OF SPS PROCESSORS PVT LTD WITH BODAL CHEMICALS LTD

During the year Under review, a Scheme of Amalgamation of S P S Processors Pvt. Ltd. (subsidiary) with the Company (the "Scheme") has been approved by the Board of Directors of the Company at their meeting held on 29th October 2021, with effect from appointed date of 1st April 2021. In-principal approval and No-Objection certificate has been received from the BSE, NSE. After receipt of No-Objection certificate and in-principal approval from Stock Exchanges the Scheme has been filled with National Company Law Tribunal and order for direction of Meetings of Creditors and Shareholders has been received from NCLT Bench Ahmedabad dated 6th June 2022. Such meeting of creditors and Shareholders has already been held on 21st July 2022 respectively and required approval have already been received from creditors and shareholders. More details are covered under Corporate Governance Report which is part of this Annual Report.

BODAL CHEMICALS TRADING PVT LTD

Bodal Chemicals Trading Pvt. Ltd, a Wholly Owned Subsidiary Company was incorporated in India on 7th December 2018. It was incorporated with object of trading in chemical products. The Company has Commenced commercial operations. It is not material subsidiary as per the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

Further, Financial Results of the Company for FY 2021-22 are also available on website of the Company at www.bodal.com

BODAL CHEMICALS TRADING SHIJIAZHUANG LTD (CHINA)

Bodal Chemicals trading Shijiazhuang Ltd, a Foreign Wholly Owned Subsidiary of the Company incorporated in China in FY 2018-19, for trading activities in Chemical Product.

Apart from the trading activity within China, this company will become an important arm for Bodal Chemicals Ltd. to distribute its final product i.e. dyestuffs in domestic market of China. This will also help sourcing of some raw materials from China to India. The Company has started commercial operations. It is not material subsidiary as per the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

Further Financial Results of the Company for FY2021-22 are available on website of the Company at www.Bodal.com

SENER BOYA KIMYA TEKSTIL SANAYI VE TICARET ANONİM ŞİRKETİ, a Foreign Subsidiary of the Company.

Apart from the trading activity within Turkey, this company will become an important arm for Bodal Chemicals Ltd. to distribute its final product i.e. dyestuffs in domestic market of Turkey and reach out to other Local Areas. The Company has started commercial operations. It is not material subsidiary as per the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

Looking at the Business Growth perspective, Your Company has acquired remaining 20% Stake of SENER BOYA- from existing Shareholders of the Company and make SENER- Turkey as Wholly Owned Subsidiary Company of Bodal Chemicals Ltd. w.e.f. 28th March 2022.

Relevant Disclosures Under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 were also Intimated to Stock Exchanges (BSE & NSE) along with required information.

Further Financial Results of the Company for FY2021-22 are also available on website of the Company at www.Bodal.com

BODAL BANGLA LTD

Bodal Bangla Ltd, a Foreign Wholly Owned Subsidiary of the Company incorporated on 22nd September 2019 in

BOARD'S REPORT (CONTD.)

Bangladesh, for trading activities in Chemical Products. Further It is not Material Subsidiary as per the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

Further, Financial Results of the Company are available on website of the Company at www.bodal.com

PLUTOECO ENVIRO ASSOCIATION

Plutoeco Enviro Association, an Associate Company of the Company incorporated on 27th October 2020 as Section 8 Company to work as Non-Profit Organisation. Further, It is not Material associates as per the SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015

Further, Financial Results of the Company are available on website of the Company at www.bodal.com

SENPA DIS TICARET ANONIM SIRKETI- Step Down Subsidiary company of the Company

SENPA DIS TICARET ANONIM SIRKETI is Wholly Owned Subsidiary of SENER BOYA KIMYA TEKSTIL SANAYI VE TICARET ANONIM SIRKETI which is subsidiary company of Bodal Chemicals Ltd. incorporated in FY 2018-19 in Turkey.

PT Bodal Chemicals INDONESIA - Wholly Owned Subsidiary Company

During the year Under review, your Company has incorporated a Foreign Wholly Owned Subsidiary Company outside India namely PT Bodal Chemicals Indonesia.

Company has not Commenced its business.

Pursuant to the provisions of Section 129, 134 and 136 of the Companies Act, 2013 read with rules framed there under and Regulation 33 of the SEBI Listing Regulations, the Company has prepared consolidated financial statements of the Company and its subsidiaries and a separate statement containing the salient features of financial statement of subsidiaries, joint ventures and associates in **Form AOC-1** which forms part of this Annual Report. Further Company shall place separate audited accounts of the subsidiary Companies on the website of the Company at www.bodal.com

Pursuant to Section 134 of the Act read with Rule 8(1) of the Companies (Accounts) Rules, 2014 the details of developments of subsidiaries of the Company are covered in the Management's Discussion and Analysis Report which forms part of this Report.

CAPITAL STRUCTURE & LIQUIDITY

Authorised Share Capital

During the FY 2021-22, Authorised capital of the Company is ₹ 69,50,00,000/- (Sixty Nine Crore Fifty Lacs Only) Comprising of Equity Shares Capital of ₹ 42,00,00,000 (Forty Two Crores) divided into 21,00,00,000 Equity Shares of ₹2/- (Rupees Two) each and Preference Share Capital of ₹ 27,50,00,000 (Twenty Seven Crore Fifty Lacs) divided into 2,75,00,000 Preference Shares of ₹ 10/- (Rupees Ten) each.

Issued and paid-up Share Capital

The Issued, Subscribed & Paid-up Equity Share Capital of the Company as at 31st March 2022 was ₹244.96 million divided into 122481665 Equity Shares, having face value of ₹2 each.

During the year Under Review, an allotment of 1,51,500 equity shares of ₹2/- each at a premium of ₹74.40/- per share has been made on 24th June 2021, pursuant to exercise of options under the ESOP-2017 Scheme. Accordingly, the paid-up share capital of the Company stands increased from ₹244.66 million (12,23,30,165 equity shares of ₹2/- each) to ₹244.96 million (12,24,81,665 equity shares of ₹2/- each).

Employees Stock Option (ESOP/ESOS)

- Allotment under ESOP:

During the year Under Review, Board of Directors at their Board Meeting held on 24th June 2021 make allotment of 1,51,500 equity shares of ₹2/- each at a premium of ₹74.40/- per share, pursuant to exercise of options under the ESOP-2017 Scheme.

- Grant of Stock Options

During the year under reviews, Nomination and Remuneration Committee of Board of Directors of the Company at its meeting held on 14th August 2021 had considered, approved and grant of 1,83,500 No. of Stock Options (Grant-04) under Bodal Chemicals Ltd.- ESOP 2017.

Disclosure Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, intimated to Stock Exchanges (BSE & NSE).

Details and Summary of Employee Stock Options granted/vested/exercised during the year 2021-22 are given in **"Annexure 2"** to this report.

BOARD'S REPORT (CONTD.)

General Reserve

During the year under review, your directors do not propose to transfer any amount to the General Reserve.

Term Loan and Working Capital

As on 31st March 2022, the Total Debt was ₹ 6,402.08 million, cash and Cash Equivalents were ₹ 25.72 million resulting in Net Debt of ₹6,376.36 million (₹ 4,294.87million as on 31st March 2021). Total Debt consisted of ₹4,264.72 millions of working capital loans and ₹ 2,137.36 millions of long-term loans.

RATINGS

The credit rating for the Company for last two years are as below: -

Type of Credit Rating	Ratings for FY 2020-21	Ratings for FY 2021-22
	India Ratings	India Ratings
Long Term Bank Facilities	IND A+	IND A+
Short Term Bank Facilities	IND A1+	IND A1+

DIVIDEND

The Board at its meeting held on 27th May 2022 has recommended Dividend of ₹ 0.80 (i.e. 40%) per equity share on the equity share of 2.00/- each for the financial year 2021-2022, amounting to ₹97.99 million. The dividend pay-out is subject to the approval of the shareholders at ensuing 36th Annual General meeting. The dividend will be paid to the members whose names appear in register of members as on record date. i.e. 24-09-2022

TRANSFER OF UNCLAIMED SHARES & DIVIDEND AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND

Section 124 of the Companies Act, 2013 mandates that companies shall transfer dividend that remain unclaimed for a period of seven years, from the unpaid dividend account to the Investor Education and Protection Fund (IEPF).

During the year under review, Your Company has not transferred any Unclaimed amount and Shares to IEPF Authority.

Further, The Company has uploaded complete details of such Shares which were already transferred to DEMAT

Account of IEPF Authority on its website:- www.bodal.com

Furthermore, Shareholders may claim back the shares which were already credited along with the unclaimed dividend amount from IEPF Authority after following the procedures prescribed under IEPF Rules. The procedures for claiming the same is available at www.mca.gov.in and www.iepf.gov.in.

Further, Details of IEPF Claim during the FY 2021-22 is stated in the Corporate Governance report of the Company.

PUBLIC /FIXED DEPOSITS

During the year under review, The Company has not accepted any deposit during the financial year under review. There were no deposits remaining unpaid/unclaimed as at the end of the financial year 2021-22 and as such no amount of principal or interest was outstanding, as on the date of the balance sheet.

LISTING OF SECURITIES

Bodal Chemicals has 122481665 Equity Shares of ₹2 each fully paid, listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Company confirms that it has paid annual listing fees for the financial year 2022-23 to both the Exchange (BSE & NSE) where the Company's equity shares are listed.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors' Appointment, Retirement and Resignation

Bodal Chemicals has 8 (Eight) Directors including 4 (Four) Executives Director and 4 (Four) Independent Directors including a women director at the end of financial year 31st March 2022.

KEY MANAGERIAL PERSONNEL

- Mr. Suresh J Patel, Chairman and Managing Director (DIN: 00007400)
- Mr. Bhavin S Patel, Executive Director (DIN: 0030464)
- Mr. Ankit S Patel, Executive Director (DIN: 02173231)
- Mr. Mayur B Padhya, Chief Financial Officer
- Mr. Ashutosh B Bhatt, Company Secretary

are the key managerial Personnel of the Company as on the date of this Report.

BOARD'S REPORT (CONTD.)

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declaration from all Independent Directors that they meet the Criteria of Independence as laid down in Section 149 (6) of the Companies Act, 2013 and regulations 27 (2) of the SEBI (LODR) regulations, 2015 (Listing regulations). There were no pecuniary transactions entered into with the Independent Directors apart from sitting fees.

REMUNERATION OF DIRECTORS AND KMP

Pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, disclosures pertaining to remuneration of Managerial employees, a Statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules is attached as **Annexure 3** which forms part of this Report.

Company received Confirmation from Chairman of NRC Committee of the Company that Appointment term and Remuneration are decided by the NRC Committee based on NRC Policy of the Company.

REMUNERATION POLICY

The Company has in place a Remuneration policy for the Directors, KMP and Other employees pursuant to the provisions of the Act and the Listing Regulations which is explained in Corporate Governance Report and which forms a part of the Board's Report.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The Company has an ongoing Programme where Directors, in the course of meetings of the Board of Directors, are given information about Chemical Business developments, Expansion of the Company and various amendments in legal and regulatory areas which include mandatory disclosures and fair disclosures stated under SEBI (Listing Obligation and Disclosures Requirement) regulations, 2015 (herein referred to as "Listing Agreement"), Prohibition & Insider trading regulations, and SAST Regulations so as to enable them to effectively discharge their roles, rights and responsibilities in the Company.

Details of the Familiarisation Programme for Independent Directors are available on the website of the Company at **www.bodal.com**

DIVERSITY OF THE BOARD

The Company recognises and embraces the benefit of having a diverse Board of Directors and views increasing diversity at the Board level as an essential element in maintaining competitive advantage in the Business in which it operates. This Policy can be accessed from the Company's website-**www.bodal.com** and its weblink **https://bodai.com/live.php?data=6_l2**

BOARD MEETINGS

During the year under review, 5(Five) Board Meetings of Board of Directors were held. Details of the Composition of Board and its Committees and meetings held and Attendance of Directors at such Meetings and other relevant details are provided in the Corporate Governance report.

MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of the Company met separately on 29-10-2021 and 11-02-2022 without the presence of Non-Independent Directors and the members of management. In accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, the following matters were, inter-alia discussed in the meeting:

- Review the performance of Non-Independent Directors and the Board as a whole
- Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-executive Directors.
- Assess the quality, quantity and timelines of flow of information between the Company management and the Board that is necessary for the Board Members to effectively and reasonably perform their duties
- Considered, reviewed and approved Scheme of Amalgamation of S P S Processors Pvt. Ltd., a Subsidiary Company of Bodal Chemicals Ltd. with the Bodal Chemicals Ltd

BOARD'S ANNUAL EVALUATION

In terms of the requirements of the Companies Act, 2013, and the Listing Regulations, the Board carried out the annual performance evaluation of the Board as a whole, Board Committees and the Directors. The Evaluation

BOARD'S REPORT (CONTD.)

framework adopted by the Board is set out in the Corporate Governance Report.

AUDITORS

STATUTORY AUDITORS

Your Directors recommend, as identified and suggested by the Audit Committee of the Company to appoint M/s. Naresh J. Patel & Co., (FRN No. 123227W) as statutory Auditor of the Company for the first term of five year, subject to approval of the Members of the Company, to hold office from the conclusion of the Thirty six (36th) Annual General Meeting until the conclusion of the forty first (41st) Annual General Meeting of the Company in place of the retiring auditors M/s. Deloitte Haskins & Sells LLP.

The Company has received a certificate from the Auditors stating that their appointment, if made, will be within the limit specified under Sections 139 and 141 of the Companies Act, 2013.

Further, tenure of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants Statutory Auditors of the Company is going to expire from the conclusion of the 36th Annual General Meeting of the Company.

The report of the Statutory Auditors along with Notes to Schedules is enclosed with this Report. The Auditor's Comments on the Company's Accounts for the financial year ended on 31st March 2022 are self explanatory in nature and do not require any explanation as per provisions of Section 134 of the Companies Act, 2013. The Auditor's Report does not contain any qualification, reservation or adverse remark.

INTERNAL AUDITORS

M/s. Rashmin R. Patel & Co., Chartered Accountants (FRN: 132265W), Ahmedabad are Internal Auditors of the Company. Internal Auditors are appointed by the Board of Directors of the Company on a yearly basis, based on the recommendation of the Audit Committee. The Internal Auditors report their findings on the internal audit of the Company, to the Audit Committee on a quarterly basis. The scope of internal audit is approved by the Audit Committee.

SECRETARIAL AUDITOR

Pursuant to Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has

appointed Mr. Tapan Shah, Practicing Company Secretary as a Secretarial Auditor to conduct Secretarial Audit of the Company for the financial year 2021-22 (Period from 01.04.2021 to 31.03.2022).

The Report of Secretarial Auditor for the financial year 2021-22 is set out as Annexure 4 and it forms a part of this Report.

Further, under regulation 24A of SEBI (LODR) Regulations, Company has received Secretarial Compliance Report for the FY 2021-22 from Mr. Tapan Shah, Practicing Company Secretary and the same has been already filed with the Stock Exchanges (BSE & NSE). Web link for the same is https://www.bodal.com/files/report1660642187_62fb638bb00f5.pdf

COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013, the Central Government has prescribed cost audit related to the Company's product Dye Intermediates and Dyes. Based on this requirement and the recommendation made by the Audit Committee, the Board of Directors has appointed M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad, as the Cost Auditor for the Financial Year 2022-2023. The Company has received a written certificate from the Cost Auditor stating that their re-appointment, if made, would be within the prescribed limits under sections 141 of the Companies Act, 2013. The Cost Audit report for the FY 2021 has been filed within the prescribed time limits. The Cost Auditor's Report does not contain any qualification, reservation or adverse remark. Further, remuneration payable to them is required to be ratified by the Shareholders at the ensuing Annual General Meeting and accordingly, a resolution seeking ratification has been included in the Notice convening the Annual General Meeting.

During the year under review, the statutory auditors, secretarial auditors and cost auditors have not reported any instances of fraud committed, in the Company by its officers or employees, to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

MANAGEMENT DISCUSSION & ANALYSIS

Pursuant to Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report for the financial year under review is presented in Separate Section, forming part of the Annual Report.

BOARD'S REPORT (CONTD.)

CORPORATE GOVERNANCE

Bodal Chemicals Ltd. is committed to ensuring the highest levels of ethical standards, professional integrity, corporate governance and regulatory compliance. The Company understands and respects its fiduciary duty to all stakeholders and strives to meet their expectations. The core principles of independence, accountability, responsibility, transparency, fair and timely disclosures serve as the basis of the Company's approach to Corporate Governance.

Report on Corporate Governance is annexed and forms an integral part of this Annual Report. Certificate from Mr. Tapan Shah, Company Secretary in practice, regarding compliance of conditions of Report on Corporate Governance as stipulated in the Listing Regulations is also appended to the Report on Corporate Governance.

SECRETARIAL STANDARDS

Secretarial Standards for the Board and General Meetings (SS-1 & SS-2) are applicable to the Company. The Company has complied with the provisions of both these Secretarial Standards.

INDUSTRIAL RELATIONS & HUMAN RESOURCES

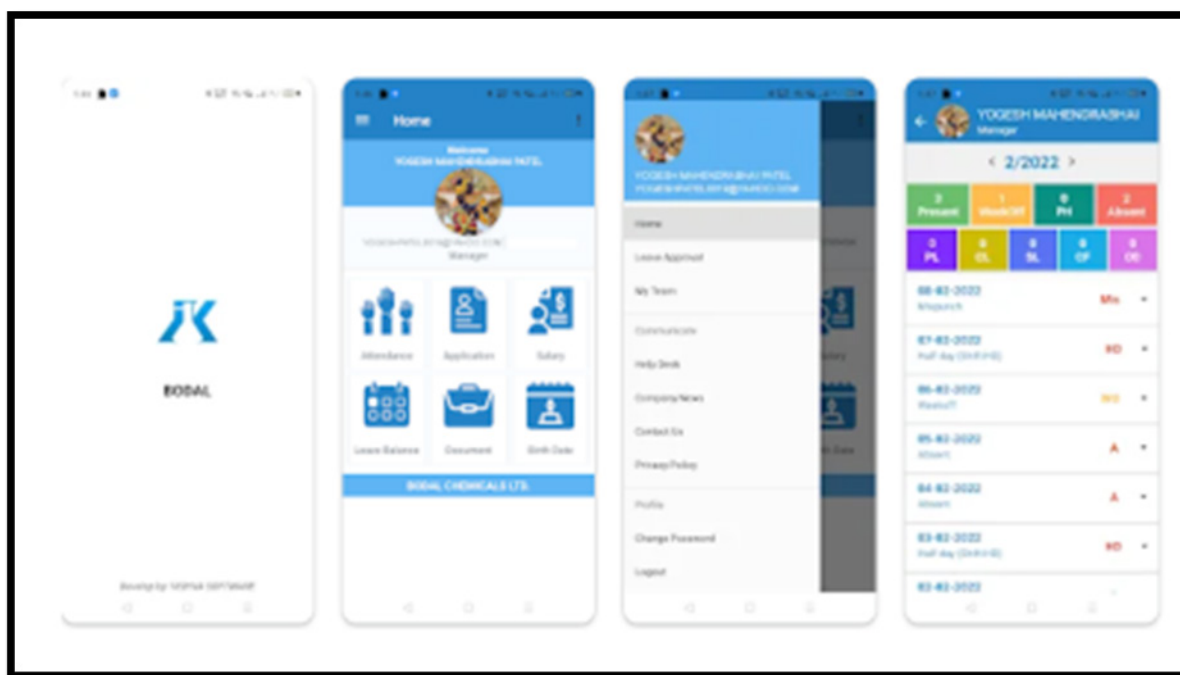
Industrial relations at all divisions of your Company have always been cordial and continue to be so. Your Directors

wish to place on record their appreciation for the co-operation received from employees at all levels.

HUMAN RESOURCES –

In the year 2021-22, we saw continued impact of COVID-19 on the work, family, health and social life of our employees. The wellbeing of our employees, their family and associates become prime focus and concerned of the Company. Being manufacturing company, we tried to keep our factories operational with the new work protocols, the offices were partly virtually managed with the technological support. Our IT team worked on high speed basis and make available all required infrastructure and support to our team members.

This time and situation makes us realise, need of digitisation of many processes. During the year 2021-2022, there was sharp focus on digitisation initiatives and the Company successfully launched our new "Bodal HR" HRMS platform in Desktop and Mobile App version. This migration has helped increase the efficiency of the people processes and helped to address the needs and aspirations of the multigenerational workforce. During the year, the Company continued to introduce initiatives and tools that helped continues learning and the development of new skills.



BOARD'S REPORT (CONTD.)

HEALTH, SAFETY AND ENVIRONMENT-

It has been our continuous endeavour in Bodal Chemicals Ltd. to create safe, healthy & environment friendly work practices with leadership and management support for sustainable business growth. Risk based approach is being adopted and applied in the manufacturing process and across the business for a safe and healthy outcome which in a way translates into revenue and acts as a catalyst in the overall growth of the organisation. Cross functional participative approach is being practiced for engaging different functions for deeper involvement to create a holistic EHS culture. EHS risks are being managed to an acceptable level involving all stakeholders. Shop floor Safety hands on briefing and training in the form of TBT (Tool Box Talks) and OJT (On Job training) to adopt safe work practices is being actively practiced. PPE's are being provisioned to all employees and workforce. All employees are encouraged to report near misses and all workplace incidents are collated and evaluated by doing a root cause analysis to prevent re occurrence. During staff interactions feedback on EHS is actively sought and suggestions are being collated and evaluated for adoption as the case may be. Following this approach, there is a dip in numbers which is a reflection of positive EHS change amongst all with increased risk awareness. Regular mock exercises are being practiced at all our plants as part of Emergency Planning, Preparedness and Response. The improvement areas are noted and further adopted going forward to enhance efficiency and effectiveness to deal with any incidents.

We believe in the philosophy, 'Good EHS practices' makes good business sense & Healthy & Safe workforce is a productive workforce. We have fully equipped OHC manned round the clock with well experienced Doctors and occupational nursing staff. In house Ambulance is also available. Pre medical check-up, annual medical check-up and special health awareness camps are conducted for employees. Medical Team has also initiated "Health Gallery" and company doctor conducts regular counselling sessions and health talks for employees.

MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report.

ANNUAL RETURN

The Annual Return of the Company as on 31st March 2022 is available at Company's website at www.bodal.com and can be accessed at https://www.bodal.com/files/report1660648563_62fb7c735434d.pdf

ENVIRONMENT PROTECTION

The Company has undertaken various environment friendly measures in its different Units for promoting a better environment. The Company has in place adequate pollution control equipment and all the equipment's are in operation.

GREEN INITIATIVE

The Ministry of Corporate Affairs had taken the Green Initiative in Report on Corporate Governance by allowing paperless compliances by Companies through electronic mode. Your Company supports the Green Initiative and has accordingly decided to send necessary communications to its Shareholders to their respective registered E-mail addresses.

SAFETY & WELLBEING OF WOMEN AT THE WORKPLACE

Bodal Chemicals Ltd. has taken various initiatives to ensure a safe and healthy workplace for its women employees. The Company has zero tolerance of sexual harassment at the work place and is fully compliant with the prevailing laws on the prevention of sexual harassment of women at the workplace. As per the provisions of Sections 21 and 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Report on the details of the number of cases filed under sexual harassment and their disposal is as under:

Sr. No.	Complaints Under Sexual Harassment (From 01-04-2021 To 31-03-2022)	Status
1	Number of Complaints/Cases pending as at the beginning of FY 2021-22 i.e. 01-04-2021	Nil
2	Number of Complaints/ Cases filed during the year (from 01-04-2021 to 31-03-2022)	Nil
3	Number of Complaints/ Cases as at the end of FY 2021-22 i.e. 31-03-2022	Nil

VIGIL MECHANISM AND WHISTLEBLOWER POLICY

The provisions of Section 177(9) and (10) of the Companies Act, 2013 mandates every listed company to establish

BOARD'S REPORT (CONTD.)

vigil mechanism for Directors and employees. Bodal Chemicals Ltd. has adopted a Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to all the employees of the Company to raise their concerns relating to fraud, malpractice or any other activity or event which is against the interest of the Company or society as a whole. Details of complaints received and the action taken are reviewed by the Audit Committee. No concerns or irregularities have been reported by employees/directors till date.

The functioning of the Whistle Blower mechanism is reviewed by the Audit Committee from time to time. None of the Company's personnel have been denied access to the Audit Committee. The Whistle Blower policy is available on the Company's website and its web link https://bodal.com/live.php?data=6_12

ANNUAL ACCOUNTS OF SUBSIDIARY COMPANIES

The Accounts of the Subsidiary Companies for the financial year ended on 31st March 2022 will be made available to any shareholder of the Company on request and will also be available for inspection at the registered office of the Company during working hours till the date of the Annual General Meeting.

Statement containing salient features of financial statements of subsidiaries and Associates pursuant to section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 is annexed to this Report in the prescribed Form AOC-1, as "Annexure 1"

The Audited Financial Statements of Company's subsidiaries for financial year 2020 are available on the Company's website at www.bodal.com and the same are also available for inspection at the Registered Office of the Company. Your Company will also make available these documents upon request by any Member of the Company interested in obtaining the same.

The Company has laid down policy on material subsidiaries and none of the subsidiary is material subsidiary as per the Policy. The policy is placed on the website of the Company and its weblink is https://bodal.com/live.php?data=6_12

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT (R&D), TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO

The details of energy conservation, technology absorption and foreign exchange earnings and outgo as

required under section 134(3) of the Companies Act, 2013, read with Rule 8 of Companies (Accounts of Companies) Rules, 2014 is annexed as **Annexure 5** to this Report.

RISK MANAGEMENT & INTERNAL CONTROL

The Company has a Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimise adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. Further details are set out in the Management Discussion and Analysis Report forming part of the Directors' Report.

The Company deploys robust system of internal controls commensurate to the size of the Company and the complexities of its operations. These systems facilitate fair presentation of its financial results in a manner that is complete and reliable, ensure adherence to regulatory and statutory compliances, and safeguards investor interest by ensuring the highest level of governance and consistent communication with investors.

The Internal Auditors of the Company conduct financial, compliance and process improvement audits each year. The Audit Committee oversees the scope and evaluates the overall results of these audits, and members of that Committee regularly attend meetings of Board of Directors. The Audit Committee also reviews the adequacy and effectiveness of the internal control system, and invites functional Directors and senior management personnel to provide updates on operating effectiveness and controls, from time to time. A CEO and CFO Certificate, forming part of the Corporate Governance Report, confirm the existence and effectiveness of internal controls and reiterate their responsibilities to report deficiencies, if any, to the Audit Committee and rectify the same.

RISK MANAGEMENT COMMITTEE

Company had constituted Risk Management Committee and said Committee had formulated a Risk Management Policy for dealing with different kinds of risks which it faces in day-to-day operations of the Company. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. The Company has adequate internal control systems and procedures to combat risks. Committee

BOARD'S REPORT (CONTD.)

has define Role and Responsibilities as per SEBI (Listing Obligation and Disclosures Requirement) Regulations. You can Access from Website of the Company at www.bodal.com

The management of the Company is determining various aspects so as to be able to minimise the risk in all spheres of the Company's business from finance, human resources to business strategy, growth and stability.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year, the Company had not provided any Corporate guarantee or any Securities on behalf of others.

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the financial statements.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company's CSR Policy primarily rests on three broad tenets viz., Healthcare, Education & Community welfare and the same is within the ambit of Schedule VII of the Act.

Your Company has a strong focus on making company's CSR efforts more systematic and strategic. Company have established procedures for planning and implementation of major CSR activities in the areas surrounding the Company's plants. Your Company is presently focused on the following key areas of CSR:

Bodal believes in inclusive development. Our business success interwoven with the welfare of the communities within which we operate. We believe in the lasting positive impact and ensure that society will harvest benefits of our initiatives for the longer time.

We believe that for the nation's development and growth education is the key and it is everyone's right to get better education. So, we focus more on promoting education by supporting deserving students. We also drive Skill Development program, where our employee spare time and visit nearby villages and intervene with the school teachers and try to enhance their skill sets. This Programs were undertaken digitally and physically.

Village Development: Under this program we associate with the village people, work with the Sarpanch and other senior members, study their issues and requirements

towards the basic village infrastructure, and work directly with them to improve the infrastructure. It also covers proper clean drinking water, drainage system, Road, etc. It is also extended to the behavioural change program for the longer sustainability.

Encouraging Education and Empowering Children: With the goal of Zero Dropout we build separate urinal blocks in nearby village schools in the year 2018-19 and that development is ongoing in other schools. Along with this we are also associated with NGO "Yuva" and provide scholarship to deserving students and encourage them for their bright future.

Further, company continued several further initiatives under the CSR program, directly as well as through different agencies.

Further, Your Company continued several other initiatives under the CSR program, directly as well as through agency namely UVA Unstoppable, permitted under the Act.

Detail of CSR Policy and Annual Report on CSR for FY 2021-2022 is annexed to this report as "Annexure 6" and forms part of this Report

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report for the year ended 31st March 2022 as per clause (f) of sub regulation (2) of regulation 34 of Listing Regulations is annexed and forms part of this Annual Report.

RELATED PARTY TRANSACTIONS

All the related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel, or other designated persons which may have potential conflict with the interest of the Company at large.

All related party transactions are placed before the Audit Committee as also the Board for approval. The Company has developed a Related Party Transaction Policy for the purpose of identification and monitoring of such transaction. The Related Party Transaction policy is placed on the Company's website www.bodal.com and its web link- https://bodai.com/live.php?data=6_12

BOARD'S REPORT (CONTD.)

Particulars of Contracts or arrangements with Related Parties referred to in section 188 (1) of the Companies Act, 2013, are disclosed in Form AOC-2 as **Annexure 7**.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY

During the year under review, Hon'ble NCLT Bench Ahmedabad passed an order dated 6th June 2022 regarding Amalgamation of S P S Processors Pvt. Ltd. ("Transferor Company") with the Bodal Chemicals Ltd. ("Transferee Company"). Wherein NCLT conveyed meetings of Secured, Unsecured creditors and Shareholders, which were held on 21st July 2022.

Apart from above Order passed by Hon'ble NCLT Bench Ahmedabad, there are no Significant and Material Orders passed by the Regulators or Courts or Tribunals which would impact the going Concern status and Company's Future Operations.

INSURANCE

The Company's assets are adequately insured.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013, the Directors, to the best of their knowledge and belief, confirm that:

- (a) in the preparation of the annual accounts for the financial year ended on 31st March 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts for the financial year ended on 31 March 2022 on a going concern basis;
- (e) the Directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with provisions of all the applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

Your director place on record their sincere appreciation for the steadfast commitment and highly motivated performance by employees at all levels which was instrumental in sustained performance of the Company. Your directors also sincerely thank all the stakeholders, professionals, business partners, government & other statutory bodies, banks, financial institutions, analysts and shareholders for their continued assistance, cooperation and support.

**For and on behalf of the Board of Directors of
Bodal Chemicals Ltd.**

SURESH J. PATEL

Date: 09th August 2022 Chairman & Managing Director
Place: Ahmedabad (DIN: 00007400)

ANNEXURE 1 TO THE BOARD'S REPORT - AOC 1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A"- Subsidiary & Associate

(₹ in millions)

Particulars	Subsidiary Co.,	Wholly Owned Subsidiary Co.,	Foreign Wholly Owned Subsidiary Co.,	Subsidiary Co.,	Foreign Wholly Owned Subsidiary Co.,	Foreign Step Down Subsidiary	Associate Company	Foreign Wholly Owned Subsidiary Co.,
Name of the Subsidiary & Associate Co.,	SPS Processors Pvt.. Ltd	Bodal Chemicals Trading Pvt. Ltd	Bodal Chemicals trading Shijiazhuang Ltd. (China)	SENER BOYA KIMYA TEKSTIL SANAYI VE TICARETANONIM Sirketi	Bodal Bangla Ltd.	SENPA DIS TICARET ANONIM Sirketi	Plutoeco Enviro Association	PT Bodal Chemicals Indonesia
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st March 2022	31st March 2022	31st March 2022	31st March 2022	31st March 2022	31st March 2022	31st March 2022	31st March 2022
Reporting currency for the subsidiary	Indian Rupees	Indian Rupees	RMB	Turkish lira	Taka	Turkish lira	Indian Rupees	
Reporting exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries Rupee equivalent of 1 unit of foreign currency as at 31st March 2022 (₹)	Not Applicable	Not Applicable	1 RMB=11.945	1 LIRA=5.1746	1TAKA= 0.8812	1 lira= 5.1746	Not Applicable	Company yet to start its business activities at Indonesia
Share Capital	16.23	0.10	20.57	233.82	5.14	0.63	0.10	
Reserves & Surplus	-131.17	4.34	25.89	-293.61	-4.13	47.66	39.57	
Capital Advance				327.69				
Total Assets	1585.63	5.98	77.92	630.50	1.26	119.70	40.11	
Total Liabilities (excluding Share Capital and Reserves & Surplus and capital advance)	1700.57	1.54	31.46	362.60	0.25	71.41	0.44	
Investments	40.91	0.10	20.57	634.42	5.14	-	0.03	
Turnover	1589.95	66.53	356.36	830.88		237.57		
Profit before taxation	-144.18	-0.58	28.04	-330.92	-2.07	39.17		
Provision for taxation	29.53	0.14	-1.29	6.29		-17.93		
Profit after taxation	-114.65	-0.44	26.75	-324.63	-2.07	21.24		
Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
% of shareholding	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

* **100% shares of SENPA DIS TICARET ANONIM Sirketi** is held by SENER BOYA KIMYA TEKSTIL SANAYI VE TICARETANONIM Sirketi and SENPA DISTICARET ANONIM Sirketi is step down subsidiary company of BODAL CHEMICALS LTD.

Part "B" - Joint Ventures: None

For and on behalf of **Board of Directors of Bodal Chemicals Ltd.**

Suresh J Patel

Chairman and Managing Director

DIN: 00007400

ANNEXURE 2 TO THE BOARD'S REPORT

Disclosure as required under Section 62(1)(b) of the Companies, Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of the Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 are appended as below:

Sr. No.	Particulars	BODAL ESOP Scheme 2017		
1	Date of Shareholders' Approval	23rd September 2017		
2	Total No of Options approved under ESOS	10,00,000 (Ten Lacs)		
3	Vesting Requirements	options granted would vest subject to vesting period of 1 (one) year		
4	Date of Grant	14/08/2021		
5	Exercise price or pricing formula	10.00 ₹		
6	Variation in terms of option	-		
7	Method of Option Valuation	Black Scholes Method		
8	Outstanding as at beginning of the Period	326800		
	Granted during the Period	183500		
	FORFEITED during the Period	-		
	CANCELLED during the Period	-		
	Lapsed during the Period	175300		
	Exercised during the Period	151500		
	Allotted during the Period	151500		
	Number of shares arising as a result of exercise of options	151500		
	Money realised by exercise of options (INR), if scheme is implemented directly by the Company	1515000		
	Number of options vested during the Period	183500		
	Outstanding as at the end of the Period	183500		
	Exercisable at the end of the Period	-		
9	Weighted average remaining contractual life (in years)	-		
10	Weighted average fair value of options granted	-		
11	Employee Wise details of Options granted during the financial year 2021-2022 to:			
	(a) key managerial personnel.			
	Name	Designation	Options Granted During the year	Options Allotted During the Year
	Mr. Mayur B Padhya	Chief Financial Officer	11000	11000
	Mr. Ashutosh B Bhatt	Company Secretary	3000	2000
	(b) Any Other employee who receives a grant in any One year of option amounting to 5% or more of Option granted during the year			
	Name	Designation	Options Granted During the year	% of Option granted during the year
	Mr. Mayur B Padhya	Chief Financial Officer	11000	6.43%
	(C) Identified employees who were granted Option, during any One year, equal to or exceeding 1% of the Issued Capital (excluding outstanding warrants and conversations) of the Company at the time of Grant			
	Name	Designation	Options Granted During the year	Options Allotted During the Year
	None			
	Note: Other details as required under Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with SEBI circular CIR/CFD/POLICY CELL/2/2015 dated 16th June 2015 forms part of the Notes to financial statements in this Annual Report.			

Note: Other details as required under Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with SEBI circular CIR/CFD/POLICY CELL/2/2015 dated 16th June 2015 forms part of the Notes to financial statements in this Annual Report.

ANNEXURE 3 TO THE BOARD'S REPORT

Details pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1	Name & Designation of Director & KMP	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for FY 2021-22	% increase/(decrease) in remuneration in the FY 2021-22
Executive/Whole Time Directors			
i	Mr. Suresh J Patel	59.78	Nil
ii	Mr. Bhavin S Patel	39.85	Nil
iii	Mr. Ankit S. Patel	39.85	Nil
Independent Directors have been paid only sitting fees during FY 2021-22 and hence the Ratio to Median Remuneration has not been shown for Independent Directors.			
iv	Mr. Mayur B Padhya, Chief Financial Officer	N.A.	18.18%
v	Mr. Ashutosh B Bhatt, Company Secretary and Compliance officer	N.A.	23.66%
2	The percentage increase in the median remuneration of employees in the financial year		14.12%
3	The number of permanent employees on the rolls of company		2025
4	Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration		Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2021-22 was 12.99% whereas the increase in the managerial remuneration for the same financial year was 8.37%. There was no increase in the remuneration of Managing Director and Executive Directors of the Company in last year.
5	Affirmation that the remuneration is as per the remuneration policy of the Company		Yes

Particulars of Employees in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i. Employed throughout the financial year with salary above ₹ 102 Lakh p.a.

Name of Employee	Mr. Suresh J. Patel	Mr. Bhavin S Patel	Mr. Ankit S Patel
Designation	Chairman and Managing Director	Executive Director	Executive Director
Remuneration	1,67,60,320	1,16,37,665	1,08,73,798
Commission	5,71,00,000	3,82,00,000	3,82,00,000
Nature of Employment	Permanent	Permanent	Permanent
Qualification	Bachelor in Science (B.Sc.)	Bachelor in Science (B.Sc.)	Bachelor in Economics, MBA (Finance)

ANNEXURE 3 TO THE BOARD'S REPORT (CONTD.)

Name of Employee	Mr. Suresh J. Patel	Mr. Bhavin S Patel	Mr. Ankit S Patel
Date of Commencement of Employment	01/06/2005	01.06.2005	24.05.2008
Age	66 Years	41 Years	39 Years
Previous Employment	Not Applicable	Not Applicable	Not Applicable
% of Equity Shares held in the Company	30.30% as on 31st March 2022	8.57% as on 31st March 2022	5.93% as on 31st March 2022

- ii. Employed part of the Financial year with average salary above ₹8.50 Lacs per month: **NA**
- iii. Employee employed throughout financial year or part thereof, was in receipt of remuneration of in aggregate is in excess of that drawn by the Managing Director or Whole Time Director or Manager and holds by himself or along with his spouse and dependent children, not less than Two percent (2%) of the Equity Shares of the Company. **NA**
- iv. The name of Top 10(Ten) Employees in terms of remuneration:

Employee full Name	Department	Designation	Birth Date	Join Date	Gander	Disabilities (Yes/ No)	Employment	Annual CTC	Qualification & Experience	Age	Last Employment	% of Equity Share held by Employee	Whether employee is relative of any Director or Manager
PRASAD HARI PUJARI	Sulphur Products Division	Head Sulphur	17-Apr-1963	11-Sep-2008	Male	NO	Permanent	7198368	M.CHEM.ENGG.	59	Dharmashi Moraji Chemical Co. limited	0.0131	N.A
MAYUR BACHUBHAI PADHYA	Finance	Chief Financial Officer	04-May-1971	01-Apr-2013	Male	NO	Permanent	6500004	CA, CMA, B.com	51	Hi-Rel Electronics Pvt Ltd	0.1566	N.A
V K SASIDHARAN	Sulphur Products Division	V.P TEC	15-Apr-1950	01-Jul-2009	Male	NO	Permanent	5981400	B.E.METROLOGY	72	Dharmashi Moraji Chemical Co. limited	0.0098	N.A
HARJEET SINGH SANDHU	Management Block	V.P.	29-May-1963	01-Jun-2021	Male	NO	Permanent	4879848	BSC ELECTRICAL ENGINEER	59	PACL(Punjab Alkalies Chemicals Limited)	0	N.A
UDAY NARANBHAI PATEL	Project	General Manager - Project (Div-Caustic Chlorine)	19-Jan-1978	04-Feb-2019	Male	NO	Permanent	3840000	B.E.CHEMICAL	44	RSPL Limited	0	N.A
WARISAKHIL M. SUBHAN CHAUDHARY	Project	Sr. General Manager (Project)	12-Oct-1962	29-Dec-2016	Male	NO	Permanent	3684000	DME,ME(MECH)	60	Paithan Mega Food Park Pvt Ltd	0.005	N.A
BIPINBHAI CHANDUBHAI PATEL	Production Operation	Head Production-Dyes Stufftuff Division	06-Jun-1967	08-Mar-2019	Male	NO	Permanent	3628800	B.Sc.	55	Fumochem Pvt.ltd	0.0041	N.A
RAJESH NATHILAL KULSHRESTHA	Production	General Manager	01-Jul-1961	02-Sep-2021	Male	NO	Permanent	3300000	M.Sc	61	Rohan Dyes & Intermediate Ltd	0	N.A
MANISHA BHUPENDRABHAI PATEL	Account	General Manager (Commercial)	28-Aug-1973	01-Aug-2012	Female	NO	Permanent	3230016	CA, B.com	49	Consultant	0.0097	N.A
BANSIBHAI MAGANBHAI PATEL	Management	President Production & Technical	13-Dec-1959	01-Apr-2013	Male	NO	Permanent	3000000	B.Sc.	63	--	0.0259	N.A

ANNEXURE 3 TO THE BOARD'S REPORT (CONTD.)

- v. Variations in the Market Capitalisation of the Company as at the Closing date of the Current Financial Year (FY 2021-22) and Previous Financial Year (FY 2020-21):

Date /Particulars	Issued Capital (No. of Equity Shares)	Closing Market Price per share ₹ (Sourced taken from www.nse.com)	Market Capitalisation (₹ In million)
31-03-2021	12,23,30,165	90.10	11021.95
31-03-2022	12,24,81,665	100.95	12364.52
Increase/Decrease	1,51,500	10.85	1342.57

Note: Variation in the market Capitalisation of the Company is Increase from 11021.95 million to 12364.52 million as comparison of Closing date of the Current Financial year (FY 2021-22) and Closing date of the Previous financial year (FY 2020-21).

ANNEXURE 4 TO THE BOARD'S REPORT

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
BODAL CHEMICALS LIMITED
CIN : L24110GJ1986PLC009003
Plot No. 123-124, Phase-1,
GIDC, Vatva,
Ahmedabad – 382 445

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Bodal Chemicals Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and based on the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit through electronically by way of scan copy or soft copy through mail or otherwise, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2022, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined through electronically by way of scan copy or soft copy through mail or otherwise, the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2022 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made there under as applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, as amended from time to time;
 - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014 (up to 12th August 2021) and Securities and Exchange Board of India (Share Based Employee Benefits and sweat equity) Regulations, 2021 (w.e.f. 13th August 2021); and

ANNEXURE 4 TO THE BOARD'S REPORT (CONTD.)

e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 & 2018

(vi) Secretarial Standards issued by the Institute of Company Secretaries of India (SS – 1 and SS – 2).

I have also examined compliance with the applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time, pursuant to the Listing Agreement of the said Company with stock exchanges.

Further being a Chemical Industry, apart from Environment, Pollution and safety related compliances, Narcotics Law 1985 is applicable to the Company, for which examination of the relevant documents and records, on test check basis has been carried out.

During the period under review the Company has generally complied with the all material aspects of applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the Period under review, provisions of the following Acts, Rules, Regulations, Guidelines, etc. were not applicable to the Company:

- i. The Securities and Exchange Board of India (Delisting of Equity Shares)(Amendment) Regulations, 2016 and 2021;
- ii. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Up to 15th August 2021) and Securities and Exchange Board of India (Issue and Listing of Non convertible Securities) Regulations, 2021 (w.e.f. 16th August 2021);
- iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 & 2018; and
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of External Commercial Borrowings.

I further report that –

The Compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

I further report that –

Based on the information provided by the Company, its officers and authorised representatives during the conduct of the audit and on the basis of Compliance Certificates issued by the Managing Director and Company Secretary of the Company and taken on record by the Board of Directors at their meetings, in my opinion, adequate systems and processes and control mechanism exist in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines and general laws like various labour laws, competition law, environmental laws, etc.

I further report that –

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the year, two Independent Directors were re-appointed for second term and one Independent Director was regularised as Director and necessary compliances were made for the same.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent generally seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the year, all decision in the Board Meetings were carried unanimously.

ANNEXURE 4 TO THE BOARD'S REPORT (CONTD.)

I further report that during the audit period there were few specific events/ actions in pursuance of the above referred laws, rules, regulations, standards, etc. having a major bearing on the Company's affairs, details of which are as stated below:

- i. Draft Scheme of Amalgamation of S P S Processors Private Limited, Subsidiary Company with Bodal Chemicals Limited was approved by the Board of directors in Board meeting held on 29th October 2021. The Appointed date of the Scheme of Amalgamation is 1st Day of April 2021.
- ii. The Company has entered into transactions for sale of land to Pluto Eco Enviro Association, an Associate Company of Bodal Chemicals Limited, at arm's length basis.
- iii. The members of the Company have appointed Mr. Mayank Mehta as an Independent Directors of the Company, for first term for the period of five years and re-appointed Mr. Nalin Kumar and Mrs. Neha Huddar as an Independent Directors of the Company, for second term for the period of five years, in the AGM held on 24th September 2021.
- iv. The Company allotted 151500 Equity Shares of face value of ₹ 2/- of the Company fully paid up, allotted under BODAL ESOP SCHEME-2017 at a grant price of ₹ 10/- per share, as on 24th June 2021.
- v. The Company has acquired additional 37,40,000 shares representing 20% of equity shares capital of SENER BOYA KIMYA TEKSTIL ANONIM SIRKETI, **(Subsidiary of Bodal Chemicals Limited)- Turkey**, by investing additional amount up to USD 4.18 million (approx. ₹320.00 million) and made SENER BOYA KIMYA TEKSTIL ANONIM SIRKETI, Turkey as a wholly owned Subsidiary company of Bodal Chemicals Limited

Signature:

Name of Company Secretary in practice: Tapan Shah

FCS No. : 4476

C P No. : 2839

UDIN : F004476D000738913

Place: Ahmedabad

Date : 09th August 2022

Note: This Report is to be read with my letter of above date which is annexed as **Annexure A** and forms an integral part of this report. Due to restricted movement amid COVID-19 pandemic, I have conducted the Secretarial audit by examining the secretarial records including Minutes, Documents, Registers and other records, etc., some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to me are the true and correct.

ANNEXURE 4 TO THE BOARD'S REPORT (CONTD.)

ANNEXURE A

To,
The Members,
BODAL CHEMICALS LIMITED
CIN : L24110GJ1986PLC009003
Plot No. 123-124, Phase-1,
GIDC, Vatva,
Ahmedabad – 382 445

My report of the above date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done based on the records and documents provided, on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed by me provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Signature:
Name of Company Secretary in practice: Tapan Shah
FCS No. : 4476
C P No. : 2839
UDIN : F004476D000738913

Place: Ahmedabad
Date : 09th August 2022

ANNEXURE 5 TO THE BOARD'S REPORT

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT (R&D), TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO:

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

Energy Conservation measures taken:

- Reducing the HP of Motors where possible
- Improvement in low insulation.
- Periodic desertion of Boiler

Additional Investment and Proposals, if any, being implemented for reduction of consumption of energy:

The Company's Sulphuric Acid plant generates steam, part of the same is used to run our TC, Dyes and Dyes Intermediates plants and balance is used to generate power, by installation of turbine, to run Sulphuric Acid plant itself.

Impact of above:

The adoption of energy conservation measures indicated above has a consequent impact on cost of production of goods by way of reduction of fuel cost.

Total Energy Consumption per unit of Production:

		FY 2021-22	FY 2020-21
(i)	Total consumption of Electric (Units)	209.03 million	19.95 million
	Total Amount (₹ in million)	1393.45 million	175.00 million
	Unit/Average Rate (In ₹)	Unit/₹ 6.67	Unit/₹ 8.77
(ii)	Fuel		
	Quantity	Kgs 92.53 million	Kgs 80.88 million
		Ltr 0.12 million	Ltr 0.12 million
		MMBTU 0.020 million	MMBTU 0.010 million
		SCM 0.53 million	SCM 0.70 million
	Total Amount (₹ in million)	882.39 million	434.28 million
	Unit /Average Rate (In ₹)	Kgs/ -₹ 8.92	Kgs/ -₹ 4.82
		Ltr/ -₹ 77.80	Ltr/ -₹ 75.36
		MMBTU/₹ 1306.38	MMBTU/₹ 951.34
		SCM/₹ 52.51	SCM/₹ 37.28

RESEARCH & DEVELOPMENT (R & D)

Future Plans of Action

The Company will try its best to carry activities in the field of R & D for development of new products and improvements in the existing manufacturing process for better yield.

Expenditure on R & D (on standalone basis):

(₹ In million)

Expenditure on R & D (on standalone basis):

	2021-22	2020-21
Capital Expenditure	4.67	3.62
Recurring Expenditure	44.81	36.51
Total	49.48	40.13
Total R&D expenditure as a percentage of total turnover	0.27%	0.36%

ANNEXURE 5 TO THE BOARD'S REPORT (CONTD.)

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

(a) Efforts in brief:

- I. Company in order to fully utilise its multidimensional manufacturing capacity is always at the forefront to make the best use of its technical capability for better success.
- II. Continuous endeavor to improve Product Quality & Process Yields.

(b) Benefit derived as a result of the above effort:

The Company is able to market its value-added products in Domestic as well as International Market.

(c) Details relating to imported technology: Nil

FOREIGN EXCHANGE EARNING AND OUTGO -

(₹ In million)

	Particulars	FY 2021-22	FY 2020-21
(a)	Foreign Exchange Inflow		
	(i) Foreign Exchange Earning F.O.B. Value of Export	5496.55	3642.72
(b)	Foreign Exchange outgo		
	(i) Value of imported Raw materials calculated on CIF basis.	1524.06	1056.84
	(ii) Value of imported Other materials calculated on CIF basis	8.70	0.51
	(iii) Value of imported Capital Goods calculated on CIF basis	3.64	4.58
	(iv) Foreign Traveling Expenditure	0.54	0.47
	(v) Export Sales Commission	155.07	33.64
	(vi) Interest	19.63	27.17
	(vii) Bank Charges	5.64	3.9
	(viii) Corporate Social Responsibility	1.97	-
	(ix) Other Selling Expense	13.30	7.06
	(x) Legal & Professional Fees	40.60	52.41

ANNEXURE 6 TO THE BOARD'S REPORT

CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT FOR FY 2021-22

Pursuant to section 134(3)(o) of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

Corporate Social Responsibility (CSR) Report for FY 2021-22

Bodal Chemicals Ltd. (BCL) vision is to grow Globally and as responsible citizen also fulfil its duty towards society. The Company's long-term CSR objective is "to improve the quality of life of the communities to whom we serve & attach"

Focused Geographic Spread

BCL's focused area for developmental activities will be urban as well as rural areas in the states in which it is located.

The Company may also support initiatives in other geographies, as approved by the CSR committee of the board, from time to time.

CSR Focused Area

BCL's CSR is aligned with the BCL's corporate policy and will focus on five thrust areas – Environment, Education, Health Care, Livelihood, and Rural & Urban infrastructure. Besides, it will also undertake interventions in the area of Sports, Disaster Relief, and Ethnicity etc. all aimed at improving the quality of life of the communities.

Approach:

The Company's CSR approach would be around following guiding principal.

Impact	Partnership	Affirmative Action
Volunteerism	Communication	Innovation

The Company follows Ackerman's Model for CSR. This model defines CSR in three different phase.

First Phase : Top management recognise social problem.

Second Phase : The Company appoints staff specialist to look into the issue and find measures to tackle it.

Third Phase : Implementation of the strategy derived

Delivery Mechanism

Whilst a large part of the CSR efforts of BCL will be implemented by an in-house department, in some of

the projects company is also partner with the credible organisation to design, fund allocation, implement and review projects. Partner agencies will be selected based on the well-defined selection criteria.

Guiding Principle for CSR:

Impact	All CSR initiatives will have well defined KPIs, to measure impacts on target groups.
Partnership	The Company will forge collaborations with NGOs or Organisations those have expertise to implement the projects related to CSR.
Affirmative Actions	The Company will design targeted interventions for the specific group to promote Education, Employability, and Entrepreneurship.
Volunteerism	BCL is providing opportunity to their employees, their families, and BCL ecosystem to engage in volunteering activities that will benefit to the community in which they live and work.
Communication	It is very important principle, the Company have two-way communication channel, where we communicate with community people to understand their needs, expectations and aspirations can be mapped and their satisfaction can be obtained.
Innovation	BCL will endeavour to develop innovative solution to solve seemingly intractable social problem.

Areas of Interest:

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution

ANNEXURE 6 TO THE BOARD'S REPORT (CONTD.)

- to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
2. Promoting education, employment enhancing vocation skills and the differently abled and livelihood enhancement projects.
 3. Promoting gender equality, empowering women by setting up homes and hostels, setting up old age homes and orphanage house, day care centres and other facilities for senior citizens.
 4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil or air and water including contribution to the clean Ganga set-up by the the Central Government for rejuvenation of river Ganga.
 5. Promotion and protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries.
 6. Measure for the benefit of armed forces veterans, war widows and their dependents.
 7. Training to promote rural sports, nationally recognised sports, Paralympics sports and Olympic sports.
 8. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief fund and welfare of the schedule castes, the scheduled tribes, other backward classes, minorities and women. [Contribution to any fund set up by Central Government means it does not include the fund set up by State Government or any local Government.]
 9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
 10. Rural development projects.
 11. Slum area development.
 12. Disaster Management, Including relief, rehabilitation and reconstruction Activities.

ANNEXURE 6 TO THE BOARD'S REPORT (CONTD.)

ANNEXURE -II

THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL YEAR 2021-2022

1	Brief outline on CSR Policy of the Company.			The Company intends to make a Positive Difference to Society and Contribute its share towards the Social Cause of betterment of Society and area in which Company Operates. The Company aims to create educated, healthy, sustainable and culturally vibrant communities. We also contribute as a Company to various charitable causes and we seek to participate in ways that touch people's lives in these communities.
2	Composition of CSR Committee:			
	SR. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year
	1	Mr. Suresh J Patel	Chairman/ Chairman and MD	3
	2	Mr. Ankit S Patel	Member/Executive Director	3
	3	Mr. Sunil K Mehta	Member/Independent Director	3
3	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.			https://www.bodal.com/files/titlepdf1631788494_61431dce09849.pdf
4	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).			Not Applicable
5	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any			Board and CSR Committee decide to No Excess CSR Amount of FY 21-22 will be carry forward in Next Year
	SR. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)
	Not Applicable as No Amount is Available for set off in pursuant to Sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014			
6	Average net profit of the company as per section 135(5).			1,29,52,14,035.33
7	(a) Two percent of average net profit of the company as per section 135(5)			2,59,04,280.71
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.			0
	(c) Amount required to be set off for the financial year, if any			0
	(d) Total CSR obligation for the financial year (7a+ 7b- 7c)			2,59,04,280.71

ANNEXURE 6 TO THE BOARD'S REPORT (CONTD.)

8 (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
FY 2021-22	0	0	0	0	0

(b) Details of CSR amount spent against ongoing projects for the financial year: - Not Applicable

1	2	3	4	5	6	7	8	9	10	11
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project	Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency
				State District					Name	CSR Registration number

Not Applicable as No Amount is Available for set off in pursuant to Sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5	6	7	8
Sr. No.	Name of the Project/ Name of Activities	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project	Amount spent for the project/ Activity (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency
				State District			Name c
1	Being amount paid to "GRAMY JAL ANE SWACHCHHATA SAMITI" towards CSR Activity CSR Amount spent to JAL JIVAN MISSION- Nal Se jal Program - Village Water Supply Scheme for Cover 100% house hold for Water by Tap Connection	provide drinking water	Vill. Chokari Tal: Padra	Gujarat Vadodara	1,23,300.00	YES	NA NA
2	Being amount paid to "Madhya Gujarat Vij Company Limited" for build up Street Light on Ekalbara Village	Rural Development	Vil. Ekalbara Ta: Padra	Gujarat Vadodara	75,996.00	YES	NA NA

ANNEXURE 6 TO THE BOARD'S REPORT (CONTD.)

1	2	3	4	5		6	7	8	
Sr. No.	Name of the Project/ Name of Activities	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project/ Activity (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	c
3	Being amount paid to CGSM and RC Sanchalit Shraddha Hospital towards CSR Activities	Preventive Healthcare	Borsad	Gujarat	Anand	6,20,301.00	YES	NA	NA
4	CSR Contribution thorough "YUVA UNSTOPABLE" towards different CSR Activities	Engaged with Various CSR Activities at National Level	----	----	----	25,75,670.00	NO	"YUVA UNSTOPABLE"	CSR00000473
5	Being amount Paid towards purchase of Erva Ventilators and Breathing Circuit and same distributed to "The Cambay medical Relief Society" for CSR Activities	Promotion of Health care	Khambhat	Gujarat	Anand	4,42,960.00	YES	NA	NA
6	Being amount paid to Collector "Patan CSR Fund" towards CSR Activities/contribution for COVID care related activities	Promotion of Health Care	Patan	Gujarat	Patan	3,00,000.00	YES	NA Not Applicable as CSR Contribution made for COVID-19 Related Activities	NA
7	Being amount paid to "SAMAST VAISHNAV VANIK PARIWAR" towards CSR Activity _Medical Help/facilities of COVID care hospitals and Patients	Promotion of Health care	Ahmedabad	Gujarat	Ahmedabad	11,00,000.00	YES	NA Not Applicable as CSR Contribution made for COVID-19 Related Activities	NA
8	Being amount paid to "SMILE Foundation" towards CSR Activities	promotion of Education and preventive Health care	All India	New Delhi	All India	2,70,000.00	NO	Through "Smile Foundation"	CSR00001634
9	Being amount paid to Parshwa Enterprise towards COVID activites under CSR (Provide Medicine to Covid patient)	Promotion of Health care	Karelibaug	Gujarat	Vadodara	50,919.00	YES	NA	NA
10	Being amount paid to Amin Hardware Mart towards CSR Activites	Rural Development/ Provide Drinking Water	Kareli Jambusar	Gujarat	Vadodara	1,50,000.00	YES	NA	NA

ANNEXURE 6 TO THE BOARD'S REPORT (CONTD.)

1	2	3	4	5		6	7	8	
Sr. No.	Name of the Project/ Name of Activities	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project/ Activity (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	c
11	Being amount paid to "Cardiac Care Center" towards CSR Activities Payment of Hospital Bill in behalf of Patients (amount utilized for Patient Relief Fund)	Promotion of Health care	Khambhat	Gujarat	Khambhat	51,000.00	YES	NA	NA
12	Being amount paid to "JNJ Enterprise" towards purchase of medical facilities/Instruments and distributes to "The Cambay Medical Relief Society"	Promotion of Health care	Anand	Gujarat	Anand	55,440.00	YES	NA	NA
13	Being Amount Paid For purchased of 60-Oxygen Concentrator-at the time of COVID-19 2nd Phase	Promotion of Health Care	Rajpura Bharuch, Ahmedabad, Padra	Punjab Gujarat	Punjab Gujarat	31,86,301.10	YES	NA	NA
14	CSR Expenditures made for provide furnitures in Shayona Vidhyalaya	Promotion of Education	Karakhadi	Gujarat	Vadodara	27,770.00	YES	NA	NA
15	Being Amount paid to "Super Specialities Pharma Warehousing & Logistics Pvt Ltd towards CSR Activity	Preventive Healthcare				2,70,000.00	YES	NA	NA
16	CSR Expenditures for Road Repairing work for development of Dudhwada Village Carried out by Bodal	Rural Development	Dudhwada	Gujarat	Vadodara	1,50,000.00	YES	NA	NA
17	Pipe Refilling/ replacement in Dudhwada Panchayat Office	Rural Development	Dudhwada	Gujarat	Vadodara	45,714.00	YES	NA	NA
18	Being Amount paid to Kalpana Book Stall to provide Stationary at Ekalbara Village Prathamik School to needy and poor Students	Promotion of Education	Ekalbara	Gujarat	Vadodara	8,400.00	YES	NA	NA

ANNEXURE 6 TO THE BOARD'S REPORT (CONTD.)

1	2	3	4	5		6	7	8	
Sr. No.	Name of the Project/ Name of Activities	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project/ Activity (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	c
19	CSR Expenditures made for Plantation Work at Dudhwada Village	Rural Development-environmental sustainability	Dudhwada	Gujarat	Vadodara	2,07,700.00	YES	NA	NA
20	Being Amount Paid to "KARMA Foundation" towards CSR Activities	KARMA Foundation is engaged in Core verticals Education, Health, Livelihood, Women Development, Litreture, Social Development	Ahmedabad	Gujarat	Ahmedabad	50,000.00	CSR Contribution through KARMA Foundation	YES	CSR00017932
21	Being amount paid to "GAYATHRI GOSEVA SAMITHI" Towards CSR	Animal Welfare	Kurnool	Andhra Pradesh	Andhra Pradesh	50,000.00	YES	NA	NA
22	Being amount paid to "Access Life Assistance Foundation"	Preventive Healthcare	Mumbai	Maharashtra	Mumbai	5,00,000.00	CSR Contribution through "Access Life Assistance Foundation"	YES	CSR00000715
23	Being amount paid for infrastrcure development (Rural Development) towards CSR	Rural Development	Dudhwada	Gujarat	Vadodara	3,03,667.00	YES	NA	NA
24	Being Amount paid to Ankleshwar Environmental Preservation Scoiety for Integrating Industrial Safety and Health Perspectives in Pandamic Situation.	Preventive Healthcare and Industrial Education	Ankleshwar Bharuch	Gujarat	Ankleshwar Bharuch	2,51,000.00	YES	NA	NA
25	Being Amount paid to "Patel Chunilal Parshottamdas Charitable trust" towards CSR Activity	promotion of Education- New School Construction	Kheda	Gujarat	Kheda	50,00,000.00	CSR Contribution through Trust	YES	CSR00012926

ANNEXURE 6 TO THE BOARD'S REPORT (CONTD.)

1	2	3	4	5		6	7	8	
Sr. No.	Name of the Project/ Name of Activities	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project/ Activity (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	c
26	Being Amount paid to "Dinsha Patel Charitable trust" towards CSR Activity		Nadiad	Gujarat	Kheda	50,00,000.00	CSR Contribution through Trust	YES	CSR00022899
27	Being amount made to "The Gujarat Dyestuff manufacture Association" towards COVID-19 relief	Preventive Healthcare	Ahmedabad	Gujarat	Ahmedabad	1,00,000.00	YES	NA	NA
28	Being amount paid to "Vishwakarma Government Engineering College" for Research Work to develop Pollution Control Processes, Waste water Treatment technologies abd Green Technologies.	environmental sustainability	Chandkheda	Gujarat	Gandhinagar Ahmedabad	7,50,000.00	YES	NA	NA
29	Being CSR Contribution made to "The Mehmedabad Education Society"	Promotion of Education	Mahemdabad	Gujarat	Kheda	16,50,000.00	YES	NA	NA
30	Being Amount paid to Yogeshwar Steel and Hard ware					1,87,866.00	YES	NA	NA
31	Being Contribution made to "Prathamik School Khadia (Bodal)" to promote Education	Promotion of Education	Anand	Gujarat	Anand	1,10,000.00	YES	NA	NA
32	Being Amount paid to Ambalal Ghanshyambhai & Co. for food distribution activity to needy people at Company UNIT-VII	Preventive Healthcare and Social Activity	Borsad	Gujarat	Anand	85,000.60	YES	NA	NA
33	Being Amount paid to "Bhartiya Vidhya Bhavan"	Promotion of Education	Ahmedabad	Gujarat	Ahmedabad	22,00,000.00	YES	NA	NA
						2,59,49,004.70			

(d) Amount spent in Administrative Overheads

Nil

(e) Amount spent on Impact Assessment, if applicable

Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)

2,59,49,004.70

ANNEXURE 6 TO THE BOARD'S REPORT (CONTD.)

(g) Excess amount for set off, if any

Board and CSR Committee decide to No Excess CSR Amount of FY 21-22 will be carry forward in Next Year

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	2,59,04,280.71
(ii)	Total amount spent for the Financial Year	2,59,49,004.70
(iii)	Excess amount spent for the financial year [(ii)-(i)]	44,723.99
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	44,723.99

9 (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)	Reason for not Transfer
				Name of the Fund	Amount (in Rs)	Date of transfer		
1	FY 2018-19	0	3,48,65,873.00	Nil	0	Nil	Nil	Nil
2	FY 2019-20	0	1,45,89,246.40	Nil	0	Nil	26032687.02	During the FY 2019-20 Company has planned to spent amount to the hospitals and others towards the end of year but due to the lockdown announced by Gujarat Govt. and Govt of India w.e.f 22-03-2020, Company was not able to spent full amount under CSR. Further, it was not mandatory to transfer any unspent amount to special government funds or carry forward to next year, as per CSR rules applicable at that time. Hence, Board has decided not to carry forward said amount at that time due to CoVID-19 Impact on Business.
3	FY 2020-21	0	3,57,17,851.00	Nil	0	Nil	Nil	Nil
	Total	0	8,51,72,970.40					

ANNEXURE 6 TO THE BOARD'S REPORT (CONTD.)

(b) Details of CSR amount spent in the financial year for Ongoing projects of the preceding financial year(s):								
1	2	3	4	5	6	7	8	9
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed /Ongoing
No CSR Amount spent in the Financial year for Ongoing Projects of the preceding financial years								
	TOTAL							
10	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)							
	(a) Date of creation or acquisition of the capital asset(s)							Not Applicable
	(b) Amount of CSR spent for creation or acquisition of capital asset							Not Applicable
	(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.							Not Applicable
	(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)							Not Applicable
11	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).				Not Applicable			

Suresh J Patel
(Chairman & MD and Chairman CSR Committee)

ANNEXURE 7 TO THE BOARD'S REPORT

Form No. AOC-2

Particulars of Contracts/arrangements made with related parties

(Pursuant to clause (h) of sub-section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Forms for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

A. Details of contracts or arrangements transactions not at arm's length basis

There were no contracts or arrangements or transactions entered in to during the year ended on 31st March 2022, which were not at arm's length basis.

B. Details of transactions at arm's length basis

There were no material transactions entered in to during the year ended on 31st March 2022 with the related parties of the Company. Further below mentioned transactions entered by the Company with related parties were at arm's length basis for the year ended 31st March 2022.

Sr. No.	Particulars	Details	Details	Details
1.	Name(s) of the related party and nature of relationship	Shanti Inorgo Chem (Guj.) Pvt. Ltd. Mr. Suresh J. Patel, Chairman and Managing Director is interested through his brother who is Director and member in Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Bodal Chemicals Trading Pvt. Ltd. Wholly owned Subsidiary Company of Bodal Chemicals Ltd.	S P S Processors Pvt. Ltd. Subsidiary Company of Bodal Chemicals Ltd
2.	Nature of contracts/ arrangements/transactions	Sale and purchase	Sale and purchase	Sale and purchase
3.	Duration of the contracts / arrangements/transactions	Repetitive during the year	Repetitive during the year	Repetitive during the year
4.	Salient terms of the contracts or arrangements or transactions including the value, if any	₹ 18.37 million	₹ 66.53 million	₹ 276.05 million
5.	Date(s) of approval by the Board	28th May 2014	9th February 2021	24th August 2017
6.	Amount paid as advances, if any :	--	--	--

ANNEXURE 7 TO THE BOARD'S REPORT (CONTD.)

Sr. No.	Particulars	Details	Details	Details
1.	Name(s) of the related party and nature of relationship	Bodal Chemicals Trading (Shijiazhuang) Co., Ltd. (w.e.f. 3rd January 2019) Wholly owned Subsidiary Company of Bodal Chemicals Ltd	SENER BOYA KIMYA TEKSTIL SANAYI VE TICARETANONIM SIRKETI (Subsidiary Company of Bodal Chemicals Ltd)	Bodal Bangla Ltd (w.e.f. 22nd September 2019 Wholly Owned Subsidiary of Bodal Chemicals Ltd)
2.	Nature of contracts/ arrangements/transactions	Sale and purchase	Sale and purchase	Sale and purchase
3.	Duration of the contracts / arrangements/transactions	Repetitive during the year	Repetitive during the year	Repetitive during the year
4.	Salient terms of the contracts or arrangements or transactions including the value, if any	₹215.81 million	₹547.26 million	--
5.	Date(s) of approval by the Board	9th February, 2021	9th February 2021	9th February 2021
6.	Amount paid as advances, if any :	--	--	--

For and on behalf of the Board

SURESH J. PATEL

Chairman & Managing Director
(DIN: 00007400)

Date: 09th August 2022
Place: Ahmedabad

REPORT ON CORPORATE GOVERNANCE

Pursuant to Regulation 34 read with Schedule V and Regulation 17 to 27 and 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance is as follows:

COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE:

Your Company appreciates the noble idea of Corporate Governance and endeavors not only to abide by and comply with, the stipulated requirements related thereto, both in its word and spirit, but has also voluntarily contemplated to establish and maintain Good Corporate Governance standards and mechanism in conformity with the contemporary national and international practices on various relevant matters including prompt dissemination of information and expeditious redress of grievances of investors and public in general.

The policies and practice of Corporate Governance of the Company are inspired by following philosophy and principles with an earnest attempt to accomplish the same:

(a) Transparency:

To maintain in all aspects, high standards of transparency, in our interactions and dealings.

(b) Disclosures:

To ensure timely dissemination of all price sensitive information and matters of importance to protect the interest of investors.

(c) Accountability:

To demonstrate highest levels of personal responsibility and continually affirm that employees are responsible to themselves for the pursuit of excellence.

(d) Compliances:

To comply with all the laws and regulations as applicable to the Company.

(e) Ethical conduct:

To conduct in an ethical manner, the affairs of the Company.

(f) Stakeholders' interest:

To promote the interests of all stakeholders including of customers, shareholders, employees, vendors, governments and the community.

The Company's philosophy of Code of Corporate Governance is aimed at assisting the top management in the efficient conduct of its business and fulfilling its obligations towards the Government, its shareholders, employees and other stakeholders.

Your Board believes that Corporate Governance is a powerful medium of sub-serving the long-term interests of its stakeholders for the attainment of transparency, accountability and equity in all facets of its operations by enhancing and sustaining its corporate value through growth and innovation.

The Company has established systems, policies and actions which are fully compliant with the requirements stipulated by the Securities and Exchange Board of India ("SEBI") from time to time under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These systems, policies and actions of the Company are designed to further the objectives of Good Corporate Governance of the Company, thereby enhancing its performance and increasing stakeholder's value.

This report sets out the compliance status of the Company during the FY 2021-22 with respect to the conditions of corporate governance.

Board of Directors:

a. Composition of the Board

The Company's board consists of 8 (Eight) Directors as on 31.03.2022 Out of 8 Directors, 4 Directors are Independent Directors (Non Executive) including one (1) woman Director. The Chairman of the Board is an Executive Director. The Profile of the Directors can be found on website of the Company: www.bodal.com. The Composition of Board is in conformity with Regulation 17 of the SEBI Listing Regulation read with Section 149 of the Act.

The Composition of Board is as follows:

Promoter-Promoter Group Director	Executive Director	Independent Director
Mr. Suresh J. Patel (Din:00007400) Promoter Chairman & Managing Director	Mr. Rajarshi Ghosh (DIN:08715159) Director-HSE	Mr. Nalin Kumar@ (Din: 03060741) Mr. Sunil K Mehta (Din:01736527) Mrs. Neha Huddar@ (Din:00092245) Mr. Mayank K Mehta (Din: 03554733)
Mr. Bhavin S. Patel (Din:00030464) (Promoter Group) Executive Director		

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Promoter- Promoter Group Director	Executive Director	Independent Director
Mr. Ankit S. Patel (Din:02173231) (Promoter Group) Executive Director		

@ 1st Term of Mr. Nalin Kumar and Mrs. Neha Huddar Independent Directors of the Company, was expired on 12th February 2022 and 9th May 2022 respectively. Further, Company has been taken Prior approval from Shareholders at 35th Annual General Meeting dated 24th September 2021 for reappointment of Mr. Nalin Kumar and Mrs. Neha Huddar for their 2nd Term of 5 (Five) years from the date of their expire of 1st Term.

Notes:

- None of the Independent Directors of the Company had any material pecuniary relationship or transactions with the Company, it's promoter, its management during the FY 2021-22, which may affect independence of the Independent Directors.
- None of the Directors on the Board hold directorship in more than ten public Companies. None of the Independent Directors serve as an Independent director on more than Seven Listed Entities. Necessary Disclosures regarding Committee positions in other public Companies as on 31st March 2022 have been made by the Directors.
- All Directors mentioned above as Independent Directors, they fall within the expression of "Independent Directors" as mentioned in regulation 16(b) of the SEBI (Listing Obligation and Disclosure and Requirements) Regulations, 2015.
- The Independent Directors of the Company fully meet the requirements laid down under Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015. The Company has received a declaration from each of the Independent Directors confirming compliance with the

criteria of Independence as laid down under this regulation as well as Section 149(6) of the Companies Act, 2013.

- In terms of Regulation 25(8) of SEBI LODR Listing Regulations, All Independent Directors have Confirmed that they are not aware of any circumstances or Situation which exists or may be reasonably anticipated that could Impair or Impact their ability to discharge their duties.
- In accordance with the erstwhile Clause 49 of the Listing agreement, the Company has issued formal Letter of Appointment to all the Independent Directors. The terms and Conditions of their appointment have also been disclosed on the website of the Company. www.bodal.com

b. Board Meeting and Agenda:

The Board generally meets once in a quarter to review the Quarterly/Half Yearly/Annual performance and financial result of the Company. The Compliance Reports in respect of applicable laws are placed before the Board periodically. Agenda papers containing the necessary information/ documents are made available to the Board to discharge its responsibility effectively and take effective decisions. In addition to the information required under Regulation 17(7) read with Part A of Schedule II of the Listing Regulations, which is required to be placed before the Board, the Directors are also kept informed of major events and approvals obtained, if necessary.

The Company Secretary, while preparing the Agenda, Notes to Agenda and Minutes of the Meeting(s), is responsible for and is required to ensure adherence to all applicable laws and regulations, including Companies Act, 2013 read with rules issued thereunder, as applicable and the Secretarial Standards recommended by the Institute of Company Secretaries of India (ICSI). Draft Minutes are circulated to the Board/Committee Board Members for their comments. The Minutes are entered in the Minutes Book within 30 days from the Conclusion of the meeting. The Company Secretary attends and acts to as secretary of all the Meetings of the Board and its Committees.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Further, Due to COVID-19 pandemic situation in the Country and relaxation given by Ministry of Corporate Affairs and SEBI in their circular, all Board Meetings and Committee meetings conducted through Video Conference ("VC") and ("OAVM") Mode.

Further, Company has been complied with all clause for Conducted Board Meetings and Committee meetings through Video Conference ("VC") and Other Audio Visual Means ("OAVM"). Further, recording of Proceedings and Quorum of All Board Meetings and Committee meetings has been kept with secretarial department of the Company.

During the year, Information as mentioned in Part A of Schedule II of SEBI Listing Regulations, has been placed before the Board for its Consideration.

The Board periodically reviews the Compliance reports of all laws applicable to the Company.

Attendance record of Board meetings:

During the FY 2021-22, 5 (Five) Board meeting were held on 9th June 2021, 24th June 2021, 14th August 2021, 29th October 2021 and 11th February 2022. The time gap between two Board Meetings was less than 120 days.

Details regarding attendance of Board Meeting held during FY 2021-22 and the Last Annual General Meeting held on the 24th September 2021.

Name of the Member and Category of Members	Attendance at the Meeting held on						Attendance at the Last AGM	Mode of Meeting Through
	9th June 2021	24th June 2021	14th August 2021	29th October 2021	11th February 2022	Total Meetings Attended/ Total Meetings During the year		
Mr. Suresh J. Patel MD & CEO	LOA	Yes	Yes	Yes	Yes	4/5	Yes	("VC")
Mr. Bhavin S. Patel Executive Director	Yes	Yes	Yes	Yes	Yes	5/5	Yes	("VC")
Mr. Ankit S. Patel Executive Director	Yes	Yes	Yes	Yes	Yes	5/5	Yes	("VC")
Mr. Rajarshi Ghosh Director-HSE	Yes	Yes	Yes	Yes	Yes	5/5	Yes	("VC")
Mr. Sunil K. Mehta Independent Director	Yes	Yes	Yes	Yes	Yes	5/5	Yes	("VC")
Mrs. Neha Huddar Independent Director	Yes	Yes	Yes	Yes	Yes	5/5	Yes	("VC")
Mr. Nalin Kumar Independent Director	Yes	Yes	Yes	Yes	Yes	5/5	Yes	("VC")
Mr. Mayank K Mehta Independent Director	Yes	Yes	Yes	Yes	Yes	5/5	Yes	("VC")

Note: ID - Independent Director; MD & CEO - Managing Director & Chief Executive Officer; ED – Executive Director; LOA – Leave of Absence; AD-additional Director ("VC")- Video Conference

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Details regarding Directorship(s) and Committee Membership(s) in Other Listed Companies:

Name of Director	Designation	Directorship in other companies *		No of Committee position held in other Companies*		Directorship in other listed entity- Category of Directorship
		Chairman	Member	As Chairman	As Member	
Mr. Suresh J. Patel- DIN: 00007400	Chairman and MD	NIL	NIL	NIL	NIL	NIL
Mr. Bhavin S. Patel- DIN: 00030464	Executive Director	NIL	NIL	NIL	NIL	NIL
Mr. Ankit S. Patel- DIN: 02173231	Executive Director	NIL	NIL	NIL	NIL	NIL
Mr. Sunil K Mehta- DIN: 01736527	Independent Director	NIL	NIL	NIL	NIL	NIL
Mr. Nalin Kumar- DIN: 03060741	Independent Director	NIL	NIL	NIL	NIL	NIL
Mrs. Neha S. Huddar- DIN: 00092245	Independent Director	NIL	01	NIL	2	Independent Director
Mr. Rajarshi Gosh- DIN: 08715159	Director-HSE	NIL	NIL	NIL	NIL	NIL
Mr. Mayank K Mehta DIN: 03554733	Independent Director	NIL	NIL	NIL	NIL	NIL

The Directorships/Committee Memberships are based on the latest disclosures received by the Company

Notes:

*Other Directorship do not include directorship of private Ltd. companies, foreign companies and companies registered under Section 8 of the Act, Further, None of them is a member of more than ten Committees or Chairman of five Committees across all the public companies in which he/she is Director. For the purpose of determination of limits of the Board Committees, Chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been Considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

In Bodal, the Board has constituted Seven Standing Committees, namely Audit Committee, Share Transfer Committee, Stakeholders' Relationship Committee/Investor Grievance Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee and Management Committee.

The Board constitutes additional functional committees, from time to time, depending on the business needs.

The details of sitting fees, commission and remuneration paid to each director appear later under the disclosure relating to Remuneration to Directors.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

C. Details of Share Holdings of Executive and Non-Executive Directors as on 31st March 2022:

Sr. No.	Name of Director With Designation	Status/Category	Relationship between Directors	No. of Share Held as on 31st March 2022	% holding as on 31st March 2022
1	Mr. Suresh J. Patel Chairman & M. D.	Promoter Executive Director	Mr. Bhavin S Patel, Executive Director and Mr. Ankit S Patel, Executive Director are sons of Mr. Suresh J Patel (Chairman and MD)	3,71,12,857	30.34
2	Mr. Bhavin S. Patel Executive Director	Promoter group Executive Director	Mr. Suresh J Patel (Chairman and MD) is father and Mr. Ankit S Patel, Executive Director is brother of Mr. Bhavin S Patel (Executive Director)	1,04,96,342	8.58
3	Mr. Ankit S. Patel Executive Director	Promoter group Executive Director	Mr. Suresh J Patel (Chairman and MD) is father and Mr. Bhavin S Patel, Executive Director is brother of Mr. Ankit S Patel (Executive Director)	72,61,072	5.94
4	Mr. Sunil K Mehta Independent Director	Independent Director Non-Executive Director		20,00,00	0.16
5	Mr. Nalin Kumar Independent Director	Independent Director Non-Executive Director		NIL	NIL
6	Mrs. Neha Huddar Independent Director	Independent Director Non-Executive Director		1000	0.00
7	Mr. Rajarshi Ghosh	Director-HSE		NIL	NIL
8	Mr. Mayank K Mehta	Independent Director		NIL	NIL

d. Code of Conduct

The Company has adopted a revised/amended Code of Conduct for Directors and Senior Management of the Company as per Regulation 17(5) of the SEBI (LODR) Regulations, 2015 and subsequent amendments as SEBI (LODR) Amendments Regulations, 2018. The Company has received confirmation from the Directors and Senior Management regarding compliance with the code for the financial year ended 31st March 2022. A declaration to this effect duly signed by CEO of the Company is attached herewith and forms a part of Corporate Governance Report. The code has been displayed on the Company's website www.bodal.com.

COMMITTEE OF THE BOARD

Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee of the Company consists of Four Directors. All the members of the Committee are financially literate. The Chairman of the Committee is Mr. Sunil K Mehta, Non Executive Independent Director. The Other Members of the Committee are Mr. Nalin Kumar, Non Executive Independent Director, Mrs. Neha S. Huddar, Non Executive Independent Director and Mr. Bhavin S Patel, Executive Director.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Brief description of terms of reference:

The terms of reference of the Audit Committee cover the matters specified Under Regulation 18 read with Part C of Schedule II to the SEBI LODR and Section 177 of the Companies Act, 2013. The terms of reference for the Audit Committee are broadly as under:

1. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending the appointment, remuneration and terms of appointment of auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management the annual financial statements and the auditor's report thereon, before submission to the Board for approval, with particular reference to:
 - Matters required to be included in Director's Responsibility Statement included in Board's report;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries based on exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - Qualifications in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, statement of uses and application of funds raised through an issue, statement of funds utilised for other purposes and report of monitoring agency.
7. Review and monitor the auditors' independence and performance, and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the Company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors of any significant findings and follow up thereon.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
16. Discussion with statutory auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the functioning of the Whistle-Blower mechanism.
19. Approval of appointment of Chief Financial Officer.
20. To review report submitted by Monitoring Agency informing material deviations in the utilisation of issue proceeds and to make necessary recommendations to the Board, if, when and where applicable.
21. reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

REPORT ON CORPORATE GOVERNANCE (CONTD.)

The audit committee shall mandatorily review the following information:

- management discussion and analysis of financial condition and results of operations;- statement of significant related party transactions (as defined by the audit committee), submitted by management;- management letters / letters of internal control weaknesses issued by the statutory auditors;- internal audit reports relating to internal control weaknesses; and- the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.- statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

During the year under review, the Committee met 05 times on 9th June 2021, 24th June 2021, 14th August 2021, 29th October 2021 and 11th February 2022.

Further, During the year, Audit Committee members passed resolution through Circular on 18th October 2021.

Attendance of the Members at the meetings was as follows:

Name of Members	Status		Attendance at the Meetings held on					
	Category	Designation	9th June 2021	24th June 2021	14th August 2021	29th October 2021	11th February 2022	Total No. of Meetings Attend/ Total Number of Meetings during the year
Mr. Sunil K Mehta	ID-NED	Chairman	Yes	Yes	Yes	Yes	Yes	5/5
Mr. Bhavin S Patel	ED	Member	Yes	Yes	Yes	Yes	Yes	5/5
Mr. Nalin Kumar	ID-NED	Member	Yes	Yes	Yes	Yes	Yes	5/5
Mrs. Neha S. Huddar	ID-NED	Member	Yes	Yes	Yes	Yes	Yes	5/5

ID - NED Independent Director-Non Executive Director; ED – Executive Director;

Notes:

All Audit Committee meetings were conducted through Video Conference ("VC") and Other Audio Visual Means ("OAVM")

Five Meetings of the Audit Committee were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days.

Committee invites such of the Executives as it considers appropriate, representative of the Statutory Auditors and Internal Auditors to be present at Committee Meetings.

The Company Secretary acts as the secretary to the Audit Committee.

Quarterly Reports are sent to the members of the Committee on matters relating to the Insider trading Code.

The Previous AGM of the Company was held on 24th September 2021 and was attended by Mr. Sunil K Mehta, Chairman of the Audit Committee.

The Audit Committee has reviewed the Management Discussion and Analysis of financial condition and results of operations forming part of this Annual Report and other information.

The following business was conducted during the year.

- Review of quarterly financial statements.
- Review of internal control systems with reference to the audits conducted by the internal auditors.
- Review of annual financial statements.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

- Review of related party disclosures by the Directors.
- Review of Business performance of the Company.
- Review of Other Business/Business Transactions which were covers under Scope and term of reference of Audit Committee.
- Consider, approve and recommend to Board, a Scheme of Amalgamation of S P S Processors Pvt.Ltd, a Subsidiary Company of Bodal Chemicals Ltd.with Bodal Chemicals Ltd.also give Audit Report on Scheme of Amalgamation.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) of the Board consists of Independent Directors (Non Executive) only.

During the year under review, the Committee met 02 times on 14th August 2021 and 29th October 2021. Details of Members of the Committee and attendance of the members at the meetings were as follows:

Name of Members	Status		Attendance at the Meeting Held on		No. of Meeting attended/Total Number of Meeting	Mode of Meeting through
	Category	Designation	14th August 2021	29th October 2021		
Mr. Sunil K. Mehta	ID-NED	Chairman	Yes	Yes	2/2	Video Conference
Mr. Nalin Kumar	ID-NED	Member	Yes	Yes	2/2	Video Conference
Mrs. Neha S. Huddar	ID-NED	Member	Yes	Yes	2/2	Video Conference

ID - NED Independent Director-Non Executive Director; ED – Executive Director;

Notes:

Mr. Ashutosh B. Bhatt is acting as Secretary to the NRC Committee.

All the members of the Nomination and Remuneration Committee are Non-Executive Independent Directors.

The terms of reference of the Committee are in line with the requirements of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II to the SEBI LODR.

Terms of Reference

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, key managerial personnel and other employees
- Formulation of criteria for evaluation of performance of Independent Directors and the Board
- Devising a policy on Board diversity
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal
- Whether to extend or continue the term of appointment of an Independent Director, on the+ basis of the report of performance evaluation of Independent Directors.
- Recommend to the board, all remuneration, in whatever from, payable to senior management.

Remuneration Policy:

The Remuneration Committee of the Board of Directors of the Company generally decides and makes recommendations to the Board of Directors about the remuneration to be paid to the Directors and other Key Managerial Persons of the Company. The remuneration of key Managerial Personnel is to be recommended by the NRC Committee to Board.

- To ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

- No director/KMP/ other employee is involved in deciding his or her own remuneration.
- It is to be ensured that relationship of remuneration to the performance is clear & meets appropriate performance benchmarks, which are unambiguously laid down and communicated.
- Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.
- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.
- **Following criteria are also to be Considered: -**
 - Responsibilities and duties;
 - Time & efforts devoted;
 - Value addition;
 - Profitability of the Company & growth of its business;
 - Analyzing each and every position and skills for fixing the remuneration yardstick;
- Standards for certain functions where there is a scarcity of qualified resources.
- Ensuring tax efficient remuneration structures.
- Ensuring that remuneration structure is simple and that the cost to the Company (CTC) is not shown inflated and the effective take home remuneration is not low.
- Other criteria as may be applicable.
- Consistent application of remuneration parameters across the organisation.
- Provisions of law with regard to making payment of remuneration, as may be applicable, are complied.
- Whenever, there is any deviation from the Policy, the justification /reasons should also be indicated/ disclosed adequately.

Remuneration paid to Executive Directors for the FY 2021-22

The remuneration paid to Executive Directors is recommended by NRC Committee and fixed by the Board of Directors and approved by the shareholders in general meetings. The remuneration paid to Executive Directors in pursuant to Sections 196, 197, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013. The details of remuneration paid to Executive Directors are as below:

(Amount in ₹)

Particulars	Mr. Suresh J. Patel Chairman & Managing Director	Mr. Bhavin S. Patel Executive Director	Mr. Ankit S. Patel Executive Director	Mr. Rajarshi Ghosh Director-HSE
(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961d	16200000	10800000	10800000	2308740
(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	560320	837665	73798	32400
(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	NIL	NIL	NIL	NIL
Stock Options	NIL	NIL	NIL	NIL
Sweat Equity	NIL	NIL	NIL	NIL
Sitting Fees	NIL	NIL	NIL	NIL
Commission	57100000	38200000	38200000	NIL
Total	73860320	49837665	49073798	2341140

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Sitting Fee paid to Non-Executive Directors for the FY 2021-22

(Amount in ₹)

Sr. No.	Particulars	Fees for attending Board Meeting/Committee Meeting	Commission	Others, Specify	Total Amount
Independent Directors					
1	Mr. Sunil K. Mehta	2,70,000	Nil	Nil	2,70,000
2	Mr. Nalin Kumar	2,70,000	Nil	Nil	2,70,000
3	Mrs. Neha Huddar	2,40,000	Nil	Nil	2,40,000
4	Mr. Mayank K Mehta	1,55,000	Nil	Nil	1,55,000
TOTAL		9,35,000	Nil	Nil	9,35,000

There is no pecuniary relationship or transaction of the Company with any of the Non-Executive Directors.

The Company has paid sitting fees to Non-Executive (Independent) Directors and no stock option is available to the Directors.

No remuneration or Commission is paid to the Non-Executive (Independent) Directors apart from sitting fees for attending the meeting of Board of Directors.

Stakeholders Relationship Committee:

In compliance with the provisions of section 178 of the Companies Act, 2013 and the Listing Regulation 20 of the Listing Regulations, the Board has formed a "Stakeholder's Grievance & Relationship Committee". The Stakeholder's Grievance & Relationship Committee as a Committee of the Board has been constituted mainly to focus on the redressal of Shareholders' and Investors' Grievances, if any, like transfer/transmission/dematerialisation of shares, loss of share certificates, non-receipt of Annual Report, Dividend Warrants and various other grievances of many stakeholders.

Terms of Reference

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Composition, Meetings and attendance:

During the Financial Year, 4 meetings were held on 24th June 2021, 14th August 2021, 29th October 2021 and 11th February 2022

Name of Members and Category	Designation	Attendance at the Meeting held on				Total Meetings attended/Total No. of Meetings during the year	Mode of Meeting through
		24th June 2021	14th August 2021	29th October 2021	11th February 2022		
Mr. Sunil K Mehta ID-NED	Chairman	Yes	Yes	Yes	Yes	4/4	Video Conference
Mr. Nalin Kumar ID-NED	Member	Yes	Yes	Yes	Yes	4/4	Video Conference
Mr. Bhavin S Patel ED	Member	Yes	Yes	Yes	Yes	4/4	Video Conference

ID - NED Independent Director-Non Executive Director; ED – Executive Director;

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Name, Designation, Address and Contact details of the Compliance Officer

Mr. Ashutosh B. Bhatt

Company Secretary & Compliance Officer

Bodal Chemicals Ltd

"BODAL CORPORATE HOUSE", Beside Maple Green Reasi., Nr. Shilaj Circle,

Off. S P Ring Road, Thaltej, Ahmedabad-380059

Tel. No. 079- 68160100

Email: secretarial@bodan.com

Details of Shareholders'/Investors' Complaints during the FY 2021-22:

Link Intime India Pvt. Ltd.(RTA) the Company, and SCORES- the official website of SEBI received shareholders/investors complaints and they were resolved by the Company/the RTA in consultation with the Company for the FY 2021-22. The details are as follows:

Sr. No.	Nature of Complaints	Opening Balance 1st April 2021	Received during the year	Redressed/ attended	Pending as on 31st March 2022
1	Non receipt of share certificates after transfer etc.	NIL	NIL	NIL	NIL
2	Non receipt of Dividend Warrants	NIL	NIL	NIL	NIL
3	Query regarding demat credit	NIL	NIL	NIL	NIL
4	Non receipt of duplicate share certificates after issue	NIL	NIL	NIL	NIL
5	Others Received from SEBI	NIL	02	02	NIL
Total		NIL	02	02	NIL

Prohibition of Insider Trading

The Company in their meeting held on 6th February 2019 adopted revise code of practice and Procedures and code of conduct to regulate, Monitor and Report Trading in Securities by designated persons and relative of designated persons in compliance with SEBI (Prohibition of Insider Trading) (Amendments), Regulations, 2018 and Code of Practices and Procedures for fair Disclosures of Unpublished Price Sensitive Information in compliance with SEBI (Prohibition of Insider Trading) (Amendments), Regulations, 2018

SHARE TRANSFER COMMITTEE

The members of Share Transfer Committee are as below:

Composition

Name of Members	Status	
	Category	Designation
Mr. Suresh J. Patel	Chairman & Managing Director	Chairman
Mr. Bhavin S. Patel	Executive Director	Member
Mr. Ankit S. Patel	Executive Director	Member

The role, terms of reference, authority and powers of the Share Transfer Committee are in conformity with the provisions of the Companies Act, 2013.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

MANAGEMENT COMMITTEE

Composition

Name of Members	Status	
	Category	Designation
Mr. Suresh J. Patel	Chairman & Managing Director	Chairman
Mr. Bhavin S. Patel	Executive Director	Member
Mr. Ankit S. Patel	Executive Director	Member

BUSINESS GROWTH COMMITTEE:

Board of Directors at their Board Meeting held on 27th May 2022 constituted a committee to discover, study and explore opportunities for In organic growth having

Direct or Indirect Synergies with the business model of the Company.

Composition

Name of Members	Status	
	Role in Committee	Nature of Directorship
Mr. Suresh J. Patel	Chairman	Chairman and MD
Mr. Ankit S Patel	Member	Executive Director
Mr. Sunil K Mehta	Member	Independent Director
Mr. Mayur B Padhya	Member	Chief Financial Officer

INDEPENDENT DIRECTORS MEETING

During the year under review, at least One meeting of Independent Directors of the Company without the presence of Non-Independent Directors and Members of Management was held on 19th March 2021 as required under Schedule IV of the Act (Code of Independent Directors) and Regulation 25(3) of the Listing Regulations. The meeting was attended by all the Independent Directors and Mr. Sunil K Mehta chaired the said meeting.

During the year, 2 (Two) meeting of Independent Directors was held on 29th October 2021 and 11th February 2022. Attendance of Independent Committee meeting as below:

Name of Members	Status		Attendance at the Meeting Held on		No. of Meeting attended/Total Number of Meeting	Mode of Meeting through
	Category	Designation	29th October 2021	11th February 2022		
Mr. Sunil K. Mehta	ID-NED	Chairman	Yes	Yes	2/2	Video Conference
Mr. Nalin Kumar	ID-NED	Member	Yes	Yes	2/2	Video Conference
Mrs. Neha S. Huddar	ID-NED	Member	Yes	Yes	2/2	Video Conference
Mr. Mayank K Mehta	ID-NED	Member	Yes	Yes	2/2	Video Conference

The Independent Directors reviewed following matter in their Meeting:

- I. Performance of Non Independent Directors and the Board as whole
- II. Performance of Chairperson of the Board taking into account the view of Executives Director and Non- Executives Directors; and
- III. Assessment of the quality, quantity and timeliness of flow of information between the Company management and the Board required to effectively and reasonably perform their duties and The Independent Directors have expressed satisfaction.
- IV. Considered, reviewed and approved of Scheme of Amalgamation of S P S Processors Pvt.Ltd., a Subsidiary Company of Bodal Chemicals Ltd.with the Bodal Chemicals Ltd

REPORT ON CORPORATE GOVERNANCE (CONTD.)

DIRECTORS' INDUCTION AND FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has a familiarisation programme for its Independent Directors. The objective of the programme is to familiarise the Independent Directors to enable them to understand the Company, its operations, business, industry and environment in which it functions and the regulatory environment applicable to it. These include orientation programme upon induction of new Directors as well as other initiatives to update the Directors on a continuing basis. An induction kit is provided to new Directors which includes the annual report, overview of the Company and its operating subsidiaries, Investor/ Earning Presentation, highlights of the major events, projects of the Company, Code of Conduct for Non-Executive Directors including Independent Directors, Company's Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices, etc.

Pursuant to Regulation 25(7) of the Listing Regulations, the Company imparted various familiarisation programmes to its Directors including review of long-term strategy, industry outlook, regulatory updates at the Board and Audit Committee Meetings, Corporate Social Responsibility, Data Analytics, Tax and Litigation updates. Besides the above, Investor/ Earning presentation on of the Company are made at their respective Board Meetings and Committees where some of the Independent Directors are also members.

A detailed Appointment Letter incorporating the role, duties and responsibilities, remuneration and performance evaluation process, Code of Conduct and obligations on disclosures, is issued for the acceptance of the Independent Directors.

The inductee has been introduced with the Key Managerial Personnel of the Company. A visit to the Company's Plants was arranged.

Detailed of Familiarisation program is also available of website of the Company www.bodal.com

MATRIX SETTING OUT SKILL BOARD OF DIRECTORS:

The list of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board.

1	Technical skills- Chemical Industry	2	Business operation and management
3	Research and Development	4	Project Management
5	Risk management	6	Quality and Performance management
7	Board and Governance	8	Strategic planning
9	Global market awareness	10	Finance, Accounting, Auditing,
11	Indian Corporate Laws and Compliance Global Corporate Laws and Compliance	12	Safety management
13	Stakeholder Engagement	14	Merger and acquisitions
15	Government and Government/ industrial policy which in impact to Chemicals business sector	16	Market Awareness of Chemicals Product (Domestic as well as International) awareness of Demand, Supply and Price of Chemicals products
17	Business Ethics as well as Corporate Ethics	18	Human Resources Management and labour Relations/ Labour Laws

REPORT ON CORPORATE GOVERNANCE (CONTD.)

The current composition of the Board meets the requirements of skills, expertise and competencies as identified above.

Name of Board Members and Designation	Mr. Suresh J Patel	Mr. Bhavin S Patel	Mr. Ankit S Patel	Mr. Rajarshi Ghosh	Mr. Sunil K Mehta	Mr. Nalin Kumar	Mrs. Neha Huddar	Mr. Mayank K Mehta
	MD-CEO	ED	ED	ED	ID	ID	ID	ID
Technical skills- Chemical Industry	√	√	√	--	--	√	--	-
Business operation and management	√	√	√	√	√	--	√	√
Research and Development	√	√	--	--	--	--	--	-
Project Management	√	√	√	√	--	√	√	√
Risk management	√	√	√	√	--	√	√	√
Quality and Performance management	√	√	√	√	--	--	--	√
Board and Governance	√	√	√	√	√	√	√	√
Strategic planning	√	√	√	√	--	√	√	√
Global market awareness	√	√	√	√	--	--	--	√
Finance, Accounting, Auditing,	√	√	√	--	√	√	√	√
Indian Corporate Laws and Compliance Global Corporate Laws and Compliance	--	--	√	√	--	--	√	-
Safety management	√	√	--	√	--	--	--	-
Stakeholder Engagement	--	--	√	√	--	√	√	-
Merger and acquisitions	√	--	√	√	√	√	√	√
Government and Government/ industrial policy which in impact to Chemicals business sector	√	√	--	√	--	--	--	-
Market Awareness of Chemicals Product (Domestic as well as International) awareness of Demand, Supply and Price of Chemicals products	√	√	√	--	--	--	--	-
Business Ethics as well as Corporate Ethics	√	√	√	√	√	√	√	√
Human Resources Management and labour Relations/ Labour Laws	√	√	--	√	--	--	--	√

ID - Independent Director; MD & CEO - Managing Director & Chief Executive Officer; ED – Executive Director; AD- Additional Director

REPORT ON CORPORATE GOVERNANCE (CONTD.)

KYC of Directors-

Pursuant to Companies (Appointment and Qualification of Directors) fourth Amendment Rules, 2018, All the Directors of the Company have completed KYC for the FY 2022-2023.

Corporate Social Responsibility (CSR) Committee:

In compliance with the provisions of section 135 read with CSR amendment Rules, 2021 of the Companies Act, 2013 the Board has formed a "Corporate Social Responsibility (CSR) Committee".

The CSR Committee has been entrusted with the specific responsibility of reviewing Corporate social responsibility programmes, health and safety framework and sustainable development. The overall roadmap, as well as specific issues of concern including those related to safety and climate change is reviewed in detail. The scope of the CSR Committee also includes approving the budget of CSR, reviewing the CSR programmes and monitoring the CSR spends.

Composition and Attendance of the Meeting:

During the financial year, 3 (Three) meetings were held on 14th August 2021, 29th October 2021 and 11th February 2022.

Name of Members	Status		Attendance at the Meeting held on			Meetings attended/Total No. Meetings during the year	Mode of Meeting
	Category	Designation	14th August 2021	29th October 2021	11th February 2022		
Mr. Suresh J. Patel	MD & CEO	Chairman	Yes	Yes	Yes	3/3	Video Conference
Mr. Ankit S. Patel	ED	Member	Yes	Yes	Yes	3/3	Video Conference
Mr. Sunil K Mehta	ID	Member	Yes	Yes	Yes	3/3	Video Conference

ID - Independent Director; MD & CEO - Managing Director & Chief Executive Officer; ED – Executive Director

In line with the amended Companies (Corporate Social Responsibility Policy) Rules, 2021, the Company revised its CSR Policy and Charter of the CSR Committee during the year under review. The same is displayed on the website of the Company at www.bodal.com

The annual report on CSR activities undertaken by the Company during the year under review, along with the amount spent forms part of the Board's Report as an Annexure. All details related to CSR initiatives of the Company are displayed on the Company's website at www.bodal.com

The Committee meets as and when required. The Committee inter alia devises/recommends to the Board, a CSR policy which indicates activities, projects or programs, to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.

Risk Management Committee:

The Risk Management Committee Consists of the following Directors and Senior Management of the Company:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Suresh J Patel	Chairman	Chairman and Managing Director
Mr. Ankit S. Patel	Member	Executive Director
Mr. Rajarshi Gosh	Member	Director-Health, Safety and Environment (HSE)
Mr. Sunil K Mehta	Member	Independent Director
Mr. Mayur B. Padhya	Member	Employee-CFO of the Company
Mr. Bansil M Patel	Member	President

REPORT ON CORPORATE GOVERNANCE (CONTD.)

The Committee had formulated a Risk Management Policy for dealing with different kinds of risks which it faces in day-to-day operations of the Company. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. The Company has adequate internal control systems and procedures to combat risks.

Brief description of terms of reference of the Committee, inter alia, includes the following:

1. To formulate a detailed risk management policy which shall include:
 - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee
 - Measures for risk mitigation including systems and processes for internal control of identified risks.
 - Business continuity plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors

During the year, 2 (Two) meetings were held on 21st December 2021 and 23rd March 2022. Attendance of Risk Management Committee as below:

Name of Members	Status		Attendance at the Meeting Held on		No. of Meeting attended/Total Number of Meeting
	Category	Designation	21st December 2021	23rd March 2022	
Mr. Suresh J Patel	Chairman-MD	Chairman	Yes	Yes	2/2
Mr. Ankit S Patel	ED	Member	Yes	Yes	2/2
Mr. Sunil K Mehta	ID	Member	Yes	Yes	2/2
Mr. Rajarshi Ghosh	D-HSE	Member	Yes	Yes	2/2
Mr. Mayur B Padhya	CFO	Member	Yes	Yes	2/2
Mr. Bansi M Patel	President	Member	Yes	Yes	2/2

Business Responsibility Report:

The 'Business Responsibility Report' (BRR) of your Company for the year ended 31st March 2022 forms part of this Annual Report as required under Regulation 34(2)(f) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 is forming part of this Annual Report.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

OTHER POLICIES MANDATED UNDER SEBI (LODR) REGULATIONS, 2015

Archival Policy

In Compliance with Regulation 30(8) of SEBI (LODR) Regulations, 2015, the Company discloses on its website all such events, information which has been disclosed to the Stock Exchange(s) under Regulations 30. Such disclosures shall be posted on website of the Company for minimum five years and there after determine further action as per the archival policy of the Company. This policy can be accessed from the Company's website- www.bodal.com and its weblink- <https://www.bodal.com/corporate-governance.php>

Policy for preservation of Documents

In Compliance with Regulation 9 of SEBI (LODR) Regulations, 2015, The Board of Directors has adopted policy on preservation of Documents. This policy for preservation of Documents can be accessed from the Company's website-www.bodal.com and its weblink- <https://www.bodal.com/corporate-governance.php>

Policy for Determining Materiality of Events

In Compliance with Regulations 30 of SEBI (LODR) Regulations, 2015, the Board of Directors has adopted a policy on Determining Materiality of Events or Information. The objective of this policy is to ensure timely and adequate disclosure of events or information. This Policy can be accessed from the Company's website- www.bodal.com and its weblink- <https://www.bodal.com/corporate-governance.php>

Policy for Determining Material Subsidiaries

In compliance with requirement of Clause 49(V)(D) of the Listing Agreement. The Board of Directors adopted a policy on Determining Material Subsidiaries. This Policy is intended to ensure the governance of the Company's Material Subsidiaries. This Policy can be accessed from the Company's website-www.bodal.com and its weblink- <https://www.bodal.com/corporate-governance.php>

Whistle Blower Policy

The Company encourages an open door policy (called Whistle Blower Policy) where employees have access to the Head of the business /function. In terms of Company's

Code of Conduct, any instance of non adherence to the code / any other observed unethical behaviour are to be brought to the attention of the immediate reporting authority, who is required to report the same to the Compliance Officer of the Company or in exceptional circumstances to the Chairman of the Audit Committee. This Policy can be accessed from the Company's website- www.bodal.com and its weblink- <https://www.bodal.com/corporate-governance.php>

Policy on Board Diversity

The Company recognises and embraces the benefit of having a diverse Board of Directors and views increasing diversity at the Board level as an essential element in maintaining competitive advantage in the Business in which it operates. This Policy can be accessed from the Company's website-www.bodal.com and its weblink- <https://www.bodal.com/corporate-governance.php>

Policy and procedures for inquiry in case of leak of Unpublished Price Sensitive Information

In compliance with requirement of regulation 9A (5) of SEBI (Prohibition of Insider Trading) Regulations, 2015 The Board of Directors adopted a policy on procedure for Inquiry in case of leak of Unpublished Price Sensitive Information. This Policy can be accessed from the Company's website-www.bodal.com and its weblink- <https://www.bodal.com/corporate-governance.php>

The Dividend Distribution Policy:

Company has adopted the Dividend Distribution Policy in accordance with Regulation 43A of SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015 ("Listing Regulations") to determine the distribution of dividends on equity shares of the Company. The Dividend Distribution Policy is available on the Company's website, at <https://www.bodal.com/corporate-governance.php>

Statutory Auditor's remuneration:

Disclosures of total fees for all services paid by the Company and its subsidiaries, on consolidated basis, to the Statutory Auditor and all entities in the network firm/ network entity of which the statutory auditor as required by the provisions of SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015 is ₹2.85 Millions.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

GENERAL BODY MEETINGS:

Details of the last three years Annual General Meetings (AGM) or Extra Ordinary General Meetings (EGM) are as under:

YEAR	DATE	TIME	VENUE
2018-19 AGM	20th September 2019	11.00 A.M	ATMA, Auditorium, Opp. Old RBI Office Ashram Road, Ahmedabad -380 009
2019-20 AGM	20th August 2020	12.00 P.M	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")
2020-21 AGM	24th September 2021	12.00 P.M.	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")

No extraordinary general meeting of the members was held during FY 2021-22.

Details of the Special Resolution Passed at the previous three Annual General Meeting

Sr. No.	Date of AGM	Details of Special Resolutions Passed
1	20th September 2019	To re-appoint Mr. Ankit S. Patel as an Executive Director of the Company. To make revision of salary structure of Mr. Suresh J. Patel, Chairman and Managing Director of the Company. To make revision of salary structure of Mr. Bhavin S. Patel, Executive Director of the Company. To appoint Mr. Kishorkumar Radadia as a Director – HSE of the Company. To Appoint Mr. Ram Prasad Srivastava as an Independent Director of the Company for period of five years. To Maintaining And Keeping The Company's Registers Required To Be Maintained Under The Section 94 Of The Companies Act, 2013 And Copies Of Annual Returns Filed Under Section 92 Of The Companies Act, 2013 Or Any One Or More Of Them, At A Place Other Than Company's Registered Office.: To Decide Borrowings Limit of the Company To Create Such Charges And / Or Mortgages And / Or Hypothecations On Borrowings Limit Of The Company
2	20th August 2020	To re-appoint Mr. Suresh J Patel, Chairman and Managing Director of the Company To appoint Mr. Rajarshi Ghosh as a Director-HSE of the Company
3	24th September 2021	Re-Appointment of Mr. Nalin Kumar as a Independent Director of the Company for second term for period of five years : Re-Appointment of Mrs. Neha Huddar as a Independent Director of the Company for second term for period of five years :

The special resolutions indicated above were passed by Remote E Voting and Voting at the time of Meetings.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Scheme of Amalgamation of S P S Processors Pvt.Ltd, a Subsidiary Company of Bodal Chemicals Ltd.with the Bodal Chemicals Ltd.

During the year Under review, a Scheme of Amalgamation of S P S Processors Pvt. Ltd. (subsidiary) with the Company (the "Scheme") has been approved by the Board of Directors of the Company at their meeting held on 29th October 2021, with effect from appointed date of 1st April 2021. In-principle approval and No-Objection certificate has been received from the BSE, NSE. After receipt of No-Objection certificate and in-principle approval from Stock Exchanges the Scheme has been filled with National Company Law Tribunal and order for direction of Meetings of Creditors and Shareholders has been received from NCLT Bench Ahmedabad dated 6th June 2022.

Further, Pursuant to NCLT Ordered below are the meetings Schedule of Secured, Unsecured and Equity Shareholders of the Company.

Meetings of	Date of Meeting	Timing of Meeting	Venue of Meeting
Secured Creditors	21st July 2022	11.00 AM	The ATMA Auditorium, Opp. Old Reserve Bank of India Building, Ashram Road, Ahmedabad 380 009 in the state of Gujarat.
Unsecured Creditors	21st July 2022	12.00 Noon	
Equity Shareholder	21st July 2022	01.00 PM	

Such meetings of creditors, Shareholders has been held on aforesaid date and resolution was passed by respective creditors and shareholders.

Furthermore, pursuant to the regulation 30 of SEBI (LODR) Regulation 2015, Company has intimated all events in relation to the Scheme of Amalgamation to the SEs (BSE & NSE) and same has also uploaded on the website of the company, www.bodal.com

Details of Holding/Subsidiary/Associates Companies:

Name of the Company	CIN	Holding/Subsidiary/Associate	% of Share Held	Applicable Section
S P S Processors Pvt. Ltd.	U18201DL2002PTC115883	Subsidiary	70%	2(87)
Bodal Chemicals Trading Pvt. Ltd.	U51597GJ2018PTC105513	Wholly Owned Subsidiary	100%	2(87)
Bodal Chemicals trading Shijiazhuang Ltd.-China	-----	Foreign Wholly Owned Subsidiary	100%	2(87)
Sener Boya Kimya Tekstil Sanayi Ve Ticaret Anonim Sirketi	-----	Foreign Wholly Owned Subsidiary	100%	2(87)
Bodal Bangla Ltd.	-----	Foreign Wholly Owned Subsidiary	100%	2(87)
Senpa Dis Ticaret Anonim Sirketi	-----	Step down subsidiary (wholly owned subsidiary of Sener Boya Kimya Tekstil Sanayi Ve Ticaret Anonim Sirketi – Subsidiary of Bodal Chemicals Ltd)	----	-----
Plutoeco Enviro Association	U85300GJ2020NPL117736	Associate	25%	2(87)
PT Bodal Chemicals Indonesia	-----	Foreign Wholly Owned Subsidiary	100%	2(87)

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Regulation 16 of the Listing Regulations defines a 'material subsidiary' as subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. Under this definition, the Company does not have any unlisted material subsidiary incorporated in India or Out of India.

The subsidiaries of the Company function independently with an adequately empowered Board of Directors and sufficient resources. For more effective governance, the minutes of Board Meetings of subsidiaries are placed before the Board of the Company for its review on a quarterly basis and a statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies are also placed before the Board.

Pursuant to the explanation under Regulation 16(1)(c) of the Listing Regulations, the Company has formulated a policy for determining material subsidiaries which is disclosed on the Company's website at www.bodal.com

The Company has complied with other requirements under Regulation 24 of the Listing Regulations with regard to the subsidiary companies.

OTHER COMPLIANCES:

RELATED PARTY TRANSACTIONS

- All related party transactions that were entered into during FY 2021-22 were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the SEBI Listing Regulations. There were no material significant related party transactions entered into by the Company with Promoters, Directors, KMPs or other designated persons which may have a potential conflict with the interest of the Company at large. The Company has revised the Related Party Transactions Policy in accordance with the Act and SEBI Listing Regulations and the same is uploaded on the Company's website at www.bodal.com

For details, about related parties transactions see Note No. 42 of Notes on Accounts of Balance Sheet of the Company.

Statutory Compliance, Penalties and Strictures

The Company has complied with the requirements of the Stock Exchanges, SEBI and Statutory Authority on all matters related to capital markets. During the last three years, no penalties or strictures have been imposed on the Company by these authorities. None of the Company's listed securities is suspended from trading from Stock Exchanges.

Details of utilisation of funds raised through preferential allotment or qualified institutional Placement Compliance by the Company

The Company has not raised any funds through preferential allotment or qualified institutional placement during the year under review.

Loans and advances in the nature of loans to firms / companies in which Directors are interested

The Company has not given any loans or advances to any firm / company in which its Directors are interested.

Acceptance of recommendations of Committees by the Board of Directors

In terms of the SEBI Listing Regulations, there have been no instances during the year under review, when the recommendations of any of the Committees were not accepted by the Board.

Disclosure of Accounting Treatment

- In preparation of the financial statements, the Company has followed the Accounting Standards issued by ICAI. The significant accounting policies which are consistently applied have been set out in the Notes to the Accounts.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

As required by the provisions of SEBI (PIT) Regulations, 2015, the Company has adopted a Code of Conduct for prevention of Insider Trading. Company Secretary of the Company is the Compliance Officer. The Code of Conduct is applicable to all Directors and such identified employees of the Company as well as who are expected to have access to unpublished price sensitive information relating to the Company.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

SHAREHOLDERS' INFORMATION

1	Registered Office	Plot No. 123 & 124, Phase-I, G.I.D.C., Vatva, Ahmedabad-382 445
	Corporate Office	Bodal Corporate House, Near Anand Niketan school, Beside Maple green residency, Nr. Shilaj Circle, Off. S. P. ring Road, Thaltej, Ahmedabad-380059
2	Annual General Meeting Date, Time and Venue	26th September 2022 through Video conferencing (VC) or Other Audio Visual Means (OAVM)
3	Financial Year	2021-2022 (consisting of 12 months) 1st April 2021 to 31st March 2022
4	Date of Book Closure	24th September 2022 to 26th September 2022 (both days inclusive)
5	Listing on Stock Exchange	BSE LTD Bombay Stock Exchange Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001
		National Stock Exchange of India Ltd. (NSE) Exchange Plaza, Plot No. C/1, G Block Bandra-Kurla Complex Bandra (E), Mumbai 400 051
6	Stock Codes	BSE Scrip Code: 524370
		NSE Scrip Code: BODALCHEM
		Demat ISIN: INE338D01028
		CIN: L24110GJ1986PLC009003
7	Types of Security	Equity Shares of the Company
	No. of paid up shares	122481665 equity shares of ₹ 2/- each fully paid as on 31st March 2022.
	Market lot of shares	1 Equity Share
8	Registrar & Share Transfer Agent	M/s. Link Intime India Pvt.Ltd. Mumbai: C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai – 400 083. Ahmedabad Branch: 5 th Floor, 506 TO 508, Amarnath Business Centre – 1, Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C G Road, Ellishbridge, Ahmedabad – 380 006 ahmedabad@linkintime.co.in Tel.: 079-26465179/87 Fax: 079-26465179
9	Compliance Officer / Company Secretary	Mr. Ashutosh B. Bhatt Plot No. 123 & 124, Phase-I, G.I.D.C., Vatva, Ahmedabad-382 445 Phone No: 079 68160100, 25835437 Fax No: 079 2583 4223, 2583 5437
10	Depository System	Currently 99.50 % of the Company share capital is held in dematerialised form. For any assistance in converting physical shares in electronic form, investor may approach Link Intime India Pvt.Ltd.or Mr. Ashutosh B. Bhatt, Company Secretary & Compliance officer
11	Bank details for Electronic Shareholding	Members are requested to notify their Depository Participant (DP) about the changes in bank details. Members are requested to furnish complete details of their bank account, including the MICR codes of their bank.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

12	Furnish copies of Permanent Account Number (PAN)	The members are requested to furnish their PAN which will help us to strengthen compliance with KYC norms and provisions of prevention of Money Laundering Act, 2002
13	Investor complaint to be addressed to	Link Intime India Pvt.Ltd.or Mr. Ashutosh B. Bhatt, Company Secretary & Compliance officer
14	E-mail ID of Grievance Redressal Division	secretarial@bodal.com
15	Payment of Listing Fees	Annual listing fee for the FY 2022-23 has been paid by the Company to BSE & NSE
16	Payment of Depository Fees	Annual Custody / Issuer fee for the FY 2022-2023 has been paid by the Company to CDSL & NSDL.
17	Outstanding Warrants GDRs/ ADRs, and Convertible Bonds, Conversion date and likely impact on equity	Not Applicable
18	Plant Locations	Unit-I Plot No. 110, Phase-II, G.I.D.C., Vatva, Ahmedabad-382 445. Unit-II Plot No. 123&124 & C-1-B/111-114, Phase-I, G.I.D.C., Vatva, Ahmedabad-382 445. Unit-III Plot No. 2102, Phase-III, G.I.D.C., Vatva, Ahmedabad-382 445. Unit-IV Plot No. 252,253 & C-1/254, Phase-II, G.I.D.C., Vatva, Ahmedabad-382 445 Unit-V Plot No. 301 to 430 + 433 to 440/1, Juned-Bhersam Estate, Saykha GIDC, Taluka: Vagra, Dist.: Bharuch, Gujarat Unit VII Block No. 804, Village- Dudhwada, Ta. Padra, Dist. Vadodara, Gujarat. Unit VIII Block No.106, 108, Village: Ekalbara, Ta. Padra, Dist. Vadodara, Gujarat. Unit IX Block No. 598/A, Village: Piludra, Ta. Jambusar, Dist. Baruch, Gujarat. Unit X Plot No: 525, Village: Dudhwada, Ta: Padra, Dist: Vadodara, Gujarat UNIT- XI Survey No. 382 Located at Moje-Neja, Khambhat- Vataman Road, Ta.-Khambhat, Dist.-Anand, Gujarat UNIT XII Charatrampur, Vill. Khadauli/Sardargarh, P.B.No. 52, P.O. Rajpura, Distt. Patiala, Punjab
19	Nomination Facility	It is in the interest of the shareholders to appoint nominee for their investments in the Company. Those members who are holding shares in physical mode and has not appointed nominee or want to change the nomination, are requested to send us nomination form duly filled in and signed by all the joint holders.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

20	Change in Shareholders details / Investors Communication	In case you are holding your shares in dematerialised form (e.g. in electronic mode), communication regarding change in address, bank account details, change in nomination, dematerialisation of your share certificates or other inquiries should be addressed to your DP where you have opened your Demat Account, quoting your client ID number. In case of physical holding of shares, any communication for change of any details should be addressed to our R&T agent M/s. Link Intime India Pvt.Ltd., at address mentioned below. Mumbai Office: C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083. Ahmedabad Branch: 5th Floor, 506 TO 508, Amarnath Business Centre – 1, Beside Gala Business Centre, Nr. St. Xavier’s College Corner, Off C G Road, Navrangpura, Ahmedabad – 380 009 ahmedabad@linkintime.co.in 079 - 2646 5179	
21	Physical Transfer of Shares	The SEBI issued Circulars to mandating transfer of securities only in electronic form effective 1st April 2019.	
22	List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year	Ratings for FY 2020-21	Ratings for FY 2021-22
		India Ratings	India Ratings
	Long Term Bank Facilities	IND A+	IND A+
	Short Term Bank Facilities	IND A1+	IND A1+

Share Transfer System:

Company has appointed M/s. Link Intime India Pvt. Ltd. for dealing in with the Shares of the Company in physical and electronic mode, the process of transfers of shares will be completed by them at earliest, subject to the documents being valid and complete in all aspects.

Results were announced During FY 2021-22 (1st April 2021 to 31st March 2022)

Sr. No.	Particulars	Date of Meeting
1	Unaudited Quarterly Results for the Quarter ended on 30th June 2021	14 Aug 2021
2	Unaudited Quarterly Results for the Quarter ended on 30th September 2021	29 Oct 2021
3	Unaudited Quarterly Results for the Quarter ended on 31st December 2021	11 Feb 2022
4	Audited Financial Results for the financial year ended 31st March 2022	27 May 2022

Results will be announced during F.Y. 2022-23 (April 1, 2022 to March 31, 2023): (Tentative)

Sr. No.	Particulars	Date of Meeting
1	Unaudited Quarterly Results for the Quarter ended on 30th June 2022	First week of August 2022
2	Unaudited Quarterly Results for the Quarter ended on 30th September 2022	Last week of October 2022
3	Unaudited Quarterly Results for the Quarter ended on 31st December 2022	Last week of January 2023
4	Audited Financial Results for the financial year ended 31st March 2022	Last week of May 2023

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Stock Data: Monthly equity share price data on BSE and NSE for the FY 2021-22 are as under.

NSE:

Month	High Price	Low Price	Close Price	Volume No. of Shares
Apr-21	105.50	86.10	96.40	2,95,69,084
May-21	113.50	95.00	104.20	3,11,21,985
Jun-21	115.45	98.40	101.40	3,11,16,467
Jul-21	128.30	100.10	119.10	4,95,86,522
Aug-21	123.65	97.70	105.85	1,57,84,081
Sep-21	121.95	104.00	118.45	1,92,60,408
Oct-21	149.95	115.60	122.55	4,21,04,520
Nov-21	135.70	100.00	107.55	95,20,852
Dec-21	119.70	102.00	111.65	71,13,705
Jan-22	125.90	106.15	108.30	1,40,98,686
Feb-22	121.70	88.10	104.60	83,66,476
Mar-22	111.20	96.45	100.95	87,23,301

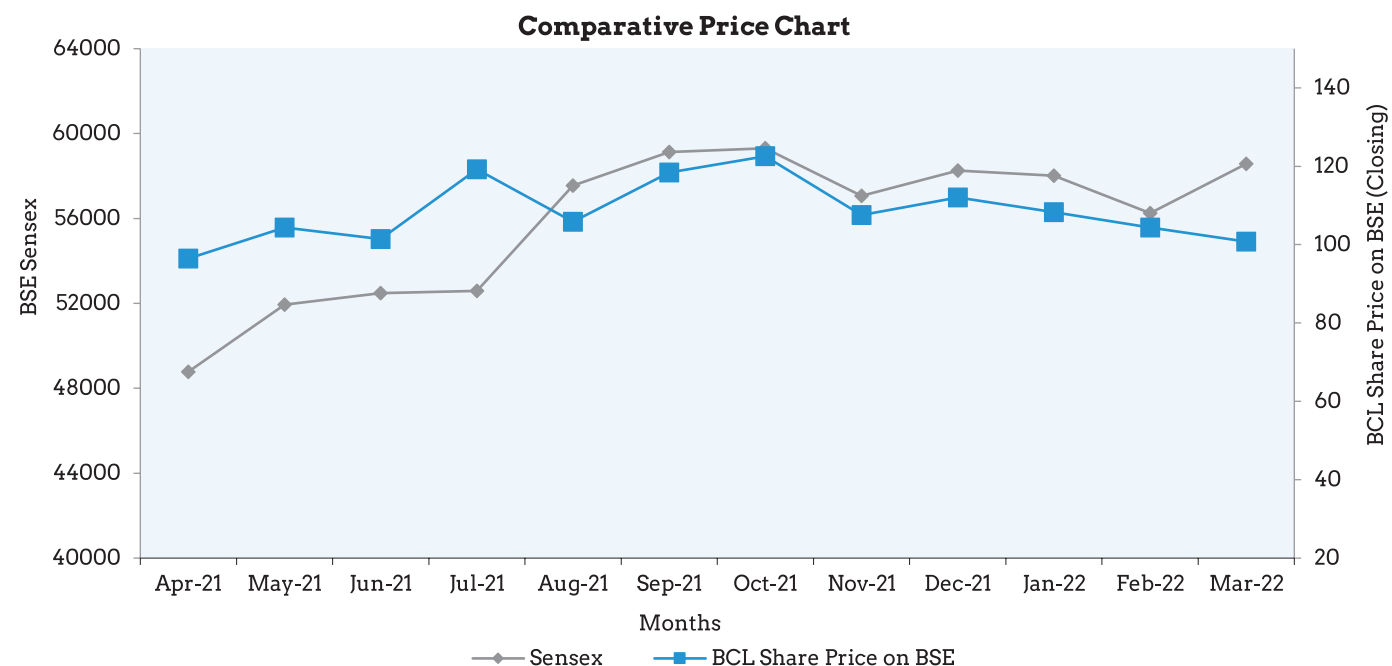
(Source from NSE Website)

BSE:

Month	High Price	Low Price	Close Price	Volume No. of Shares
Apr-21	105.40	85.70	96.45	35,64,273
May-21	113.45	94.90	104.35	35,00,470
Jun-21	115.35	98.75	101.45	33,22,011
Jul-21	128.10	100.20	119.20	46,24,058
Aug-21	123.60	97.90	105.85	21,14,645
Sep-21	122.00	104.00	118.45	20,34,548
Oct-21	150.00	115.60	122.55	41,37,186
Nov-21	135.60	100.00	107.55	12,67,604
Dec-21	119.55	101.85	112.00	8,83,737
Jan-22	125.85	105.20	108.30	16,30,990
Feb-22	121.50	88.65	104.40	14,31,054
Mar-22	111.00	96.05	100.80	13,96,769

(Source from BSE Website)

Comparison of Bodal Chemical's share price with BSE Sensex



REPORT ON CORPORATE GOVERNANCE (CONTD.)

Shares held in physical and dematerialised form

Equity Shares

Dematerialisation of Shares and liquidity: Company's Paid-up capital has been dematerialised up to 31st March 2022 as per the following details. The Company's Equity Shares are actively traded shares on the Indian Stock Exchanges.

Share Held in	FY 2021-22		FY 2020-21	
	No. of Shares	% of share capital of the Company	No. of Shares	% of share capital of the Company
Electronic form with NSDL	6,83,08,782	55.77	7,03,40,163	57.50
Electronic form with CDSL	5,35,89,109	43.75	5,13,83,528	42.00
Physical Form	5,83,774	0.48	6,06,474	0.50
Total	12,24,81,665	100	12,23,30,165	100

Note: Equity shares of the Company are listed on Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. Investors can exercise dematerialisation through a recognised Depository Participant (DP) who is connected to NSDL or CDSL.

Those shareholders whose shares are held in physical form are requested to dematerialise the same at the earliest in their own interest. Thus, Investors can exercise dematerialisation through a recognised Depository Participant (DP) who is connected to NSDL or CDSL. The DEMAT security code (ISIN) for the equity shares of ₹ 2/- each is **INE - 338 D 01028**.

Bank Mandate for Dividend

As per SEBI Guidelines, it is mandatory for the companies to print bank account details of the shareholders on dividend warrants. Those members who have still not furnished their bank account details, are requested to furnish the same immediately either to their DP or to the Registrar of the Company.

Unclaimed Dividends to be transferred to the Investor Education and Protection Fund

The dividend for the following years remaining unclaimed for 7 years from the date of declaration are required to be transferred by the Company to Investor Education and Protection Fund and the various dates for transfer of such amount are as under:

Sr. No.	Financial Year	Date of Declaration	Due for Transfer on
1.	2015-16(Interim)	12th August 2015	19th September 2022
2.	2015-16(2 nd Interim)	10th March 2016	17th April 2023
3.	2016-17(Interim)	3rd August 2016	9th September 2023
4.	2016-17 (Final)	23rd September 2017	27th November 2024
5.	2017-18 (Final)	17th September 2018	22nd October 2025
6.	2018-19 (Final)	20th September 2019	20th October 2026
7.	2019-20(Interim)	12th December 2020	11th March 2027
8.	2020-21 (Final)	24th September 2021	29th October 2028

Members who have not encashed their Dividend Warrants or those who have not received the Dividend Warrants so far, are requested to seek issuance of duplicate Dividend Warrants. Otherwise, all above said unclaimed dividend to be transferred to Investor Education and Protection Fund on above said Due Dates. Further, Shareholders are requested to send cancelled Cheque to duplicate dividend warrant claims.

Further, pursuant to Section 124(6) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Shares on which dividend has not been encashed for last 7 years have to be transferred to suspense account open by IEPF Authority.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

During the year, Company has not transferred any unclaimed amount and Shares to IEPF Authority.

Further, The Company has uploaded complete details of such Shares which were already transferred to DEMAT Account of IEPF Authority on its website: www.bodal.com.

Furthermore, Shareholders may claim back the shares which were already credited along with the unclaimed dividend amount from IEPF Authority after following the procedures prescribed under IEPF Rules. The procedures for claiming the same is available at www.mca.gov.in and www.iepf.gov.in.

Disclosure with respect to IEPF Demat suspense account/ unclaimed suspense account

Sr. No.	Particulars	No. of Records/ Shareholders	No. of Shares
1	Aggregate number of shareholders and the outstanding shares lying in the suspense account at the beginning of the year	3665	684616
2	Number of shareholders who approached listed entity for transfer of shares from suspense/IEPF account during the year	6	3000
3	Number of shareholders to whom shares were transferred from IEPF/ suspense account during the year	2	1000
4	Aggregate number of shareholders and the outstanding shares lying in the suspense/IEPF account at the end of the year	3663	683616

That the voting rights on these shares, if any shall remain frozen till the rightful owner of such shares claims the shares

Distribution of Shareholding as on 31st March 2022

According to number of Equity Shares

Sr. No.	Shares Range	Number of Shareholders	% of total Shareholders	Total Shares for the Range	% of Issued Capital
1	1 To 500	51274	84.5673	6609785	5.3966
2	501 To 1000	4558	7.5176	3750959	3.0625
3	1001 To 2000	2245	3.7027	3504117	2.8609
4	2001 To 3000	879	1.4498	2283010	1.8640
5	3001 To 4000	383	0.6317	1396000	1.1398
6	4001 To 5000	360	0.5938	1715537	1.4006
7	5001 To 10000	491	0.8098	3654571	2.9838
8	10001 To *****	441	0.7274	99567686	81.2919
Total		60631	100.00	122481665	100.00

Pattern of / Category of Shareholding of the Company As on 31st March 2022

Category	No of Shares	% of Share holding
Promoter & Promoter Group	7,21,95,662	58.94
Alternate Investment Funds	1,87,200	0.15
Foreign Portfolio Investors	36,39,433	2.97
Financial Institutions/ Banks	11,007	0.01
Insurance Companies	4,000	0.00
Central Government/ State Government(s)/ President of India	7,525	0.01
Indian Public and Others	31700686	25.88

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Category	No of Shares	% of Share holding
NBFCs registered with RBI	32,621	0.03
IEPF	6,83,616	0.56
HUF	21,01,403	1.72
Non-Resident Indian (NRI)	11,02,528	0.90
LLP	81,27,527	6.64
Clearing Members	2,69,677	0.22
Bodies Corporate	22,17,780	1.81
Director or Director's Relatives	2,01,000	0.16
GRAND TOTAL	122481665	100.00

Means of Communication

Effective communication of information is an essential component of Corporate Governance. It is a process of sharing information, ideas, thoughts, opinions and plans with all stakeholders which promotes management – shareholder relations. The Company regularly interacts with shareholders through multiple channels of communication such as results announcement, annual reports, media/press releases, Earning Presentations, Investor Presentations and Company's website and through green initiatives.

- Stock Exchange Intimations

All submissions to the Stock Exchanges are made through the respective electronic filing systems. All unpublished price sensitive information, material events or information as detailed in Regulation 30 of the SEBI Listing Regulations are disseminated to the Stock Exchanges by filing them with the National Stock Exchange of India Ltd. ('NSE') through NEAPS / NSE Digital portal and with BSE Ltd. ('BSE') through BSE Online Portal.

They are also displayed on the Company's website at www.bodal.com

- Financial Results

During the year, quarterly, half-yearly and annual financial results of the Company were submitted to the stock exchanges immediately after the conclusion of the Board meetings and Committee meetings were also published in newspapers as per regulation of 47 of SEBI (LODR) Regulations, 2015

They are also displayed on the Company's website at www.bodal.com

- Analyst/Investor Meets

Investor/Earning Presentations, Press release and Earning/Con Call Transcript and Recordings of Con Call of the Company are available at the website of the Company:- www.bodal.com and its weblink- <https://www.bodal.com/financials.php>

They are also displayed on the Company's website at www.bodal.com

Company's Website

The Company's website is in line with the requirements laid down under Regulation 46 of the SEBI Listing Regulations. It is a comprehensive reference of the Company's Management, vision, mission, policies, corporate governance, corporate sustainability, disclosures to investors, updates and news. The section on 'Investors' serves to inform the Members by furnishing complete financial details, annual reports, shareholding patterns, presentations made to institutional investors and analysts, corporate actions, information relating to stock exchange intimations, Company policies, RTA, etc. The website also has details of press releases, awards and campaigns.

The Company has also uploaded the names of the Members and the details of the unclaimed dividend by the Members on its website.

All the above details can be accessed from the website of the Company – www.bodal.com

CEO AND CFO CERTIFICATION

The Chairman & Managing Director and the Chief Financial Officer of the Company give annual Compliance Certificate in accordance with Regulation 17(8) read with

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Clause 49 of Listing Agreement with the Stock Exchange(s). The annual Compliance Certificate given by Chairman & Managing Director and the Chief Financial Officer is published in the Annual Report.

Secretarial Audit:

- Pursuant to Regulation 40(9) of the Listing Regulations, certificates have been issued, on a half-yearly basis, by a Company Secretary in practice, certifying due compliance of share transfer formalities by the Company.
- A Company Secretary in practice carries out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).
- Pursuant to Regulation 24A of the Listing SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 and amend thereon, Mr. Tapan Shah, Company Secretary in practice has issued Secretarial Compliance report for the FY 2021-2022 and Company has same filed to BSE (Bombay Stock Exchange) and National Stock Exchange of India (NSE).
- Mr. Tapan Shah, a Company Secretary in practice has conducted a Secretarial Audit of the Company for FY 2021-22. Their Audit Report confirms that the Company has complied with the applicable provisions of the Act and the Rules made there under, its Memorandum and Articles of Association, Listing Regulations and the applicable SEBI Regulations. The Secretarial Audit Report forms part of the Boards Report as Annexure..

Certificate from Practising Company Secretary

Mr. Tapan Shah, Practicing Company Secretaries, has issued a certificate confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as

directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority.

In accordance with the SEBI Circular dated February 8, 2019, the Company has obtained an Annual Secretarial Compliance Report from Mr. Tapan Shah, Practicing Company Secretaries confirming compliances with all applicable SEBI Regulations, Circulars and Guidelines for the year ended 31st March 2022.

Compliance with Code of Conduct

In accordance with Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015/Clause 49 of Listing Agreement with the Stock Exchange(s), the Board Members and senior management personnel of the Company have confirmed compliance with the Code of Conduct for the financial year ended 31st March 2022.

Mandatory Requirements

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

Non-Mandatory Requirements

The Company has complied with the following non-mandatory requirements of the Listing Regulations relating to Corporate Governance. The status of compliance with the non-mandatory requirements listed in Regulation 27(1) read with Part E of Schedule II of the Listing Regulations is as under:

- During the year under review, there was no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure regime of unmodified audit opinion.
- The Company follows a Effective process of communicating with the shareholders which has been elaborated in the Report under the Heading "Means of Communication"
- The Internal Auditors reports to the Audit Committee.

Confirmation by the Board of Directors' acceptance of recommendations of Committees:

In terms of the amendments made to the Listing Regulations, the Board of Directors confirms that during the year, it has accepted all recommendations received from all its Committees.

ANNEXURE

CERTIFICATE BY THE CEO & CFO OF THE COMPANY

We, Suresh J. Patel, Chief Executive Officer and Mayur B. Padhya, Chief Financial Officer of Bodal Chemicals Ltd., to the best of our knowledge and belief certify that;

1. We have reviewed the Balance Sheet, Profit & Loss Account, its schedule and notes to accounts and cash flow statement for the year ended **31st March 2022** and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading;
 - (b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. We also certify, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee :-
 - (a) significant changes in internal control over financial reporting during the year ;
 - (b) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements ; and
 - (c) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Suresh J. Patel
Chief Executive Officer
Chairman & Managing Director

Mayur B. Padhya
Chief Financial Officer

Date: 09th August 2022

ANNEXURE

DECLARATION BY THE MANAGING DIRECTOR

I, Suresh J. Patel, Chairman & Managing Director of Bodal Chemicals Ltd., hereby declare that all the Members of Board of Directors and the senior management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Regulations 26(3) of SEBI (LODR) Regulations, 2015.

Date: 09th August 2022
Place: Ahmedabad

Suresh J. Patel
Chief Executive Officer,
Chairman & Managing Director
(DIN: 00007400)

ANNEXURE

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Registration No.: L24110GJ1986PLC009003

Nominal Capital: ₹695000000/-

To,
The Members of
BODAL CHEMICALS LIMITED
Plot No. 123-124, Phase-1,
GIDC, Vatva, Ahmedabad – 382 445

I have examined the compliance of conditions of corporate governance by **BODAL CHEMICALS LTD**, for the year ended on 31st March 2022 as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time, pursuant to the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the Directors and the Management, I certify that the Company has complied with the mandatory conditions as stipulated in abovementioned Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, pursuant to the Listing Agreement of the said Company with stock exchanges.

I further state that such compliance is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the management has conducted the affairs of the Company.

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

Place: Ahmedabad
Date : 09th August 2022

Signature:
Name of Company Secretary : **TAPAN SHAH**
Membership No. : **FCS4476**
C P No. : **2839**
UDIN : **F004476D000739045**

ANNEXURE

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
BODAL CHEMICALS LIMITED
CIN :L24110GJ1986PLC009003
PLOT NO 123 AND 124, PHASE -1,
GIDC VATVA,
AHMEDABAD 382445"

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **BODAL CHEMICALS LIMITED**, having **CIN L24110GJ1986PLC009003** and having registered office at Plot No 123 and 124 Phase -1, GIDC, Vatva, Ahmedabad 382445 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Sureshbhai Jayantibhai Patel	00007400	*1st June 2005
2.	Bhavin Suresh Patel	00030464	*1st June 2005
3.	Ankit Sureshbhai Patel	02173231	24th May 2008
4.	Neha Sunil Huddar	00092245	10th May 2017
5.	Sunil Kanaiyalal Mehta	01736527	13th December 2017
6.	Nalin Kumar	03060741	13th February 2017
7.	Rajarshi Ghosh	08715159	27th May 2020
8.	Mayank Kulinchandra Mehta	03554733	9th February 2021

* based on Form No. 32 filed by the Company

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on the based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad
Date : 23rd May 2022

Signature:

Name: Tapan Shah
Membership No.: FCS4476
CP No.: 2839
UDIN : F004476D000364704

BUSINESS RESPONSIBILITY REPORT

Section A : General Information about the Company:

- Corporate Identity Number (CIN) :
L24110GJ1986PLC009003
- Name of the Company : BODAL CHEMICALS LTD
- Registered Address : PLOT NO 123-124, PHASE-I,
G.I.D.C., VATVA, AHMEDABAD--382445
- Website : www.bodal.com
- Email ID : secretarial@bodall.com
- Financial Year reported : 1st April 2021 to 31st March 2022
- Sector that Company is engaged in (Industrial Activity code wise) (NIC code of Activity)

Sr.	Particulars	National Industrial Code (NIC)
1	Basic Chemicals	201
2	Dye Intermediates	202
3	Dyestuffs	202

- Name of Key Product/Services manufactures
 - VINLY SULPHONE ESTER
 - H ACID
 - Acid Black 210
- Total Number of Location where business activities are undertakes
 - International
 - Domestic
- Market served by the Company –National and International

Section B : Financial Details of the Company as on 31st March 2022:

- Paid up Capital (₹): ₹244.96 million
- Total Turn Over (₹): ₹ 18,735.69 million
- Total Profit after Tax : ₹ 1,358.23 million
- Total spending on Corporate Social Responsibility (CSR) as percentage of PAT (%): ₹25.95 million which is 1.76% of the PAT
- List of Activities in which expenditure in 4 above has been incurred : as per the annexure 7 of Directors Report.

Section C : Other Details:

- Does the Company have any Subsidiary Company/ Companies?

Yes, Bodal Chemicals Ltd. have 6 (Six) Subsidiary (including wholly owned subsidiary) Companies in India and overseas and a step-down subsidiary Company at overseas and a Associate company in India are as follows:

- Name of Indian subsidiary / wholly owned subsidiary companies :
 - SPS Processors Pvt. Ltd. – Subsidiary
 - Bodal Chemicals Trading Pvt. Ltd. -- Wholly Owned Subsidiary
- Name of Overseas subsidiary / wholly owned subsidiary / step down subsidiary companies:
 - Bodal Chemicals Trading (Shijiazhuang) Co., Ltd. -Wholly Owned Subsidiary
 - Sener Boya Kimya Tekstil Sanayi Ve Ticaret Anonim Sirketi - Wholly Owned Subsidiary
 - Bodal Bangla Ltd. – Wholly Owned Subsidiary
 - Bodal Indonesia PT - Wholly Owned Subsidiary
 - Senpa Dis Ticaret Anonim Sirketi - Step down subsidiary
- Name of Associate Company
 - Plutoeco Enviro Association - Associate Company

- Does the Subsidiary Company/Companies participate in the BR initiative of the parent company? If yes, then indicate the number of such subsidiary company(ies)

No, BR initiative of the Company are limited to its own operations

- Do any entity/entities (e.g. suppliers, distributors etc.) that the Company does the business with participate in the BR initiative of the Company? If yes, then indicate the percentage of such entity/entities? [>30%, 30-60%, <60%]

No, BR initiative of the Company are limited to its own operations

BUSINESS RESPONSIBILITY REPORT (CONTD.)

Section D: Business Responsibility Information :

1. Details of Director/Directors responsible for BR

- a. Details of the Director/Director responsible for implementation of the BR policy/policies
 - i. Din Number 00030464
 - ii. Name Mr. Bhavin S. Patel
 - iii. Designation Executive Director
- b. Details of the BR head
 - i. Din Number 02173231
 - ii. Name Mr. Ankit S. Patel
 - iii. Designation Executive Director
 - iv. Telephone Number 079 68160100
 - v. E-mail id secretarial@bodal.com

2. List of Principals :

Principal 1: Businesses should conduct and govern themselves with ethics, transparency and accountability

Principal 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Principal 3: Businesses should promote the wellbeing of all employees

Principal 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

Principal 5: Businesses should respect and promote human rights

Principal 6: Businesses should respect, protect, and make efforts to restore the environment

Principal 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Principal 8: Businesses should support inclusive growth and equitable development

Principal 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

a. Principle-wise (as per NVGs) BR Policy/policies - Details of compliance (Reply in Y/N)

Sr	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for					Y				
2	Has the policy being formulated in consultation with the relevant stakeholders?					Y				
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)					Y				
		The policy is based on National Voluntary Guidelines on Social, Environmental & Economical Responsibilities of Business released by Ministry of Corporate Affairs in July 2011.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?					Y				
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?					Y				
		The Director is responsible for BR and BR head is responsible for implementation of the policy								

BUSINESS RESPONSIBILITY REPORT (CONTD.)

Sr	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6	Indicate the link for the policy to be viewed online?	https://www.bodal.com/files/titlepdf1631788924_61431f7c935dd.pdf								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	It has been posted on the Company's Website.								
8	Does the Company have in-house structure to implement the policy/ policies.	Y								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y								
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y								

- b. If answer to the question at serial number 1 against any principle, is 'No', please explain why: Not Applicable

3. Governance related to BR

- i. Indicate the frequency with which the Board of Directors, Committee of Board or CEO to assess the BR performance of the Company. Within 3 Months, 3-6 Months, Annually or more than 1 Year

The BR head Periodically assess the BR performance of the Company and the Board will review the same annually.

- ii. Does Company publish a BR or a Sustainability Report? What is hyperlink for viewing this report? How frequently it is published?

The Company has adopted its BR report for FY 2021 – 22 which form part of the Annual Report. The same can be viewed on website of the Company at <https://www.bodal.com/annual-report-audit.php>

Section E: Principle wise performance

Principal 1 : Businesses should conduct and govern themselves with ethics, transparency and accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?

The Company's policy on Ethics, Transparency and Accountability along with the Code of Conduct is applicable to all the persons working in the Bodal Chemicals Ltd. The Company encourages its

business partners to follow the code. The policy also intends for fair dealings with customers, suppliers, contractors and other stakeholders.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

No stakeholder complaints were received pertaining to ethics, transparency and accountability violation in FY 2021-22.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
- Vinly Sulphone
 - Acid dyes
 - H. Acid
2. Does the Company have procedures in place for sustainable sourcing (including transportation)?

The Company is in the process of institutionalising procedures for sustainable sourcing including transportation. Currently, the Company expects its supplier to abide by ISO 9001 and ISO 14001 standards.

BUSINESS RESPONSIBILITY REPORT (CONTD.)

3. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

- a. If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

For all products the Company tries to procure from local supply chain partners which include small scale industries who meet our quality, delivery, cost and technology expectations. Efforts are continuously made to use local service providers for availing various support services at our various plants and services. Further, certain raw materials are not available locally and hence, company has to go outside for buying the same.

4. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company has in-house facilities to recycle its waste and is continuously striving to optimise the process. Most of the manufacturing facilities of the Company are under Zero Liquid Discharge (ZLD). In addition to the in-house facilities, it also works with selected companies which are duly authorised by the State Pollution Control Board (SPCB) for using such waste as their inputs.

Principle 3: Businesses should promote the wellbeing of all employees

- Please indicate the Total number of employees – Total 2025 Employees
- Please indicate the Total number of employees hired on temporary/**contractual**/casual basis –1029.
- Please indicate the Number of permanent **women** employees – 24 Women Employees.
- Please indicate the Number of permanent employees with **disabilities** - 1 Employee
- Do you have an **employee association** that is recognised by management - Yes.
- What percentage of your permanent employees is members of this recognised employee association? - 8.45%

7. Please indicate the Number of complaints relating to **child labour, forced labour**, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/ forced labour/ involuntary labour	NIL	
2	Sexual harassment		
3	Discriminatory employment		

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- Permanent Employees - 43.40%
- Permanent Women Employees - 100%
- Casual/Temporary/Contractual Employees – 100%
- Employees with Disabilities - 100%

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

- Has the Company mapped its internal and external stakeholders? Yes/No
Yes – the Company has done so consummately
- Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders.

Yes, your company always actively work to identify underprivileged communities in and around our Manufacturing Sites to prioritise our intervention and work on to serve their needs through our well-crafted CSR Programs. Your company do CSR related programme through its own and by diverting fund to NGO. The needs are identified through various

BUSINESS RESPONSIBILITY REPORT (CONTD.)

listening and learning methods and are prioritised by suitably addressing the needs of the Community and the long term strategic growth of the Company as well.

- Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.

Yes, Bodal Chemical Ltd. believes that it has an important role to play in the inclusive growth of the Society and the Community in which it operates

- The Company has taken up Project for provision of Safe Drinking Water to primary school in the surrounding villages of manufacturing facility.
- The Company promotes Education and Literacy in villages. Your company pays the fees of needy students and encourage study in villages also promote the students by distributing various prizes for their achievements.

Details of all the Activities listed above can be found in Annexure 7 to the Board's Report.

Principle 5: Businesses should respect and promote human rights

- Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company respects & protects the human rights of all people around and associated with it. The Company complies with applicable laws and regulation governing occupational health and safety. The Company applies principles of equal opportunity, fair treatment and zero tolerance for any form of unlawful discrimination or harassment of employees. The Company is holding ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and ISO certification for Health and Safety Standards and Environment Management Standards. The Company expects its suppliers, contractors etc. to adhere to the principles of human rights.

- How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Nil

Principle 6: Businesses should respect, protect, and make efforts to restore the environment

- Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The Company is committed to safeguard the interest of environment with a view of sustainable development. For the same, Company has taken many environment friendly initiatives and also carried out process modification to protect environment. The Company's Environmental policy is applicable to all its business places.

- Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

The Company has strategies /initiatives for enhancing its own performance (over which it is able to exercise control) related to the issue concerning the environment. The is no URL at present

- Does the Company identify and assess potential environmental risks? Y/N

Yes. The Company identifies and assesses potential environment risks for its products range.

- Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

The Company is actively exploring and evaluating opportunity related to clean Development mechanism. The Company continuously improving the performance related to environment for its products. Company follows the guidelines issued by CPCB and GPCB for its products range.

- Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

The Company has taken certain initiatives towards conservation of energy and energy efficiency at its various plants. Annexure 6 to the Board's Report contains details of the steps taken to conserve energy during the year.

BUSINESS RESPONSIBILITY REPORT (CONTD.)

The Company regularly undertakes many initiatives related to the clean technology, energy efficiency, renewable energy etc.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

The Emissions/Waste generated by the Company are within the permissible limits given by CPCB/SPCB for the financial year 2021-22

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

As on 31st March 2022, no notice is pending.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

- (a) Vatva Industrial Association
- (b) CHEMEXCIL
- (c) Gujarat Safety Council
- (d) Gujarat Chamber of Commerce

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

We do from time to time take up issues through these associations for advancement or improvement of public good and industry interest.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company is committed to behave responsibly towards people, society and the environment for inclusive growth of the society. The Company has

several socio-economic projects running in various areas and are taken as per the CSR policy of the Company which includes:

- Promoting education and special education.
- Promoting healthcare including preventing healthcare.
- Company promote sustainable business practices and inclusiveness, by engaging nearby village people and develop essential infrastructures.
- Built educational infrastructure in village schools by providing modern education platform
- Eradicating hunger & poverty and making available pure and safe drinking water

The details of specific CSR projects are given in Annexure 7 to the Board's Report.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organisation?

The aforesaid projects have been carried out by the Company directly and/or through implementing agencies.

3. Have you done any impact assessment of your initiative?

Efforts are made to make a general assessment of impact of some of the initiatives, by visiting the place of project initiated, discussing with the community people those are benefited. The Company internally performs an impact assessment of its initiatives at the end of each year to understand the efficacy of the programs and to gain insight for improving the design and delivery of future initiatives. However, no structural impact assessment is put in place at present.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

During the year, the Company has spent ₹ 25.95 million towards various CSR initiatives and projects. The details of the same are given in Annexure 7 to the Board's Report.

BUSINESS RESPONSIBILITY REPORT (CONTD.)

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

All CSR projects and initiatives are planned with the objective of sustainable community development. The project is identified and developed as a facilitator within the CSR policy framework and presented to the CSR committee for its review, guidance and approval. The Company works directly and through implementing agencies of the project to ensure proper and meaningful adoption of these initiatives among the target community.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

No customer complaints are pending as on the end of the financial year.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

Not Applicable

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No case against Bodal Chemicals Ltd. were filed during last five years, relating to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Your company believes in providing best services to its customers. Time to time meeting(s) with customers are organised by the marketing teams to understand their expectation and essentially to gauge our competitiveness in the business. Bodal to remain consistently in touch with the customers through its business units and mitigate their issues promptly. Feedbacks received from customers are implemented to further enhance quality of service. Our ongoing efforts have made us significant players across all products we operate in.

For, **BODAL CHEMICALS LTD**

Suresh J. Patel

Chairman and Managing Director

Date: 09th August 2022

Place: Ahmedabad

MANAGEMENT ANALYSIS AND DISCUSSION

Global Economy

The COVID-19 pandemic has made the previous two years challenging for the global economy. Infectious outbreaks, supply-chain disruptions, and, more lately, inflation have made policy-making extremely difficult. Following a significant drop in FY 2020-21, output across several countries rose in FY 2021-22. The world economy expanded by 6.1% in 2021. The development of numerous vaccines and a reduction in pandemic repercussions fuelled this. Vaccination rates in developed economies and many middle-income countries have reached significant levels. International commerce has expanded, and rising commodity prices have helped many developing countries. While advanced countries' production and investment are likely to return to pre-pandemic levels next year, emerging and developing economies' output and investment are expected to remain lower due to lower vaccination rates, tougher fiscal and monetary policies, and the pandemic's long-term scarring. However, hike in the crude oil prices, coal shortages, supply chain disruption coupled with power shortfall has changed the global economic scenario in the second half of 2021. Later on, sudden outbreak of omicron variant and escalated geopolitical tension between Russia and Ukraine has hit the economic growth significantly which brought down the global economic growth rate to 3.6% for 2022 and 2023 as well. Due to global geopolitical crisis-induced commodity price hikes and expanding pricing pressures, inflation projections for 2022 are pegged at 5.7% in advanced countries and 8.7% in EMDEs. Responding to the humanitarian catastrophe, preventing further economic fracturing, maintaining global liquidity, managing financial hardship, battling climate change, and ending the pandemic all require multilateral effort.

(Source: *World Economic Outlook – April 2022*)

Indian Economy

The Indian economy appears to be doing better than it was in FY 2020-21. After declining by 7.3% in FY 2020-21, the Indian economy expand by 8.7% in FY 2021-22. This indicates that overall economic output has rebounded to levels prior to the pandemic. The second wave in Q1 had a far lesser economic impact than the complete lockdown period in FY 2020-21. To restore medium-term demand, the Government pushed through a major increase in capital investment on infrastructure, as

well as aggressive supply-side measures to position the economy for a long-term boom. The Indian economy is in a stable position to expand by 7.2% in FY 2022-23, with the vaccination programme having reached the majority of the population, the economy regaining pace, and the expected long-term effects of supply-side changes in the pipeline.

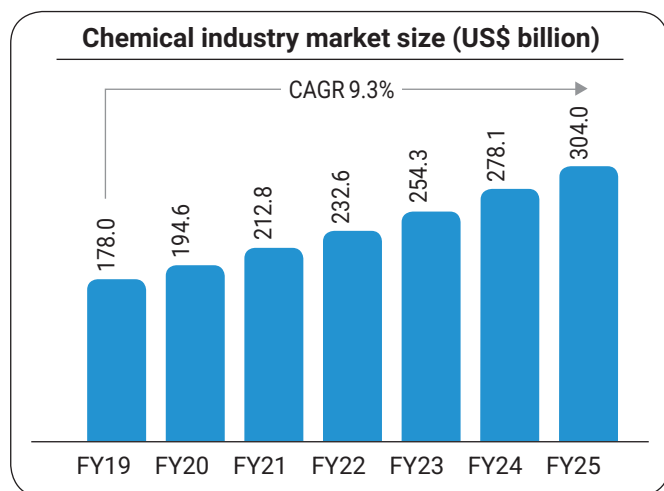
India is making significant progress in living up to Prime Minister Narendra Modi's 'Atmanirbhar Bharat' campaign. In the previous two years, India's exports to China have expanded significantly. Exports have increased by 33.9% from USD17.1 billion in 2019 to USD 22.9 billion in 2021, despite the impact of the COVID-19 pandemic, which crippled India's manufacturing capabilities. China's imports have fallen to USD 58.7 billion from USD 68.4 billion in 2019. Imports of raw materials, intermediate products, and capital goods from China grew in 2021 compared to 2019, but consumer goods imports decreased from 14.7% in 2019 to 10.4% in 2021. India is working diligently to close the gap between its imports and exports to China and achieve trade balance.

(Source: *Economic Survey 2021-22, MOSPI, RBI, NewIndian.in*)

Indian Chemical Industry

The Indian chemicals industry was valued at USD 178 billion in 2019 and is predicted to witness at a 9.3% CAGR to USD 304 billion by 2025. India's chemical sector is immensely diverse, including over 80,000 commercial goods and may be divided into bulk chemicals, speciality chemicals, agrochemicals, petrochemicals, polymers, and fertilisers. India produces 16% of all dyestuffs and dye intermediates in the world. With a global market share of 15%, the Indian colourants sector has emerged as a major player. Except for a few dangerous compounds, the country's chemical sector has been de-licensed. India is a global leader in chemical exports and imports, ranking 14th in exports and 8th in imports (excluding pharmaceuticals). High energy prices, labour costs, and currency appreciation are providing a significant challenge for Western countries in the rapidly changing global environment of the chemical sector. China was one of the benefactors of this transition until recently. In the aftermath of the pandemic, however, the globe is looking into other geographies. Given the supply chain disruption in China and the trade war between

MANAGEMENT ANALYSIS AND DISCUSSION (CONTD.)



the US, Europe, and China, the Indian chemical sector has varied prospects. With the United States expected to impose further investment and export bans against Chinese chemical industries, chemical companies will be forced to seek for more dependable alternatives. This new scenario would most likely benefit Indian chemical businesses, since they are prepared and well-positioned to capture a large share of the market.

India is a major exporter of chemicals. Inorganic and organic chemicals, tanning and dyes, plastics, synthetic rubber, filaments, and other products are all exported from India. India exports chemicals and chemical products to China, the United States, Brazil, the Netherlands, Saudi Arabia, Indonesia, the United Arab Emirates, Japan, and Germany, among other countries. The United States imports a lot of inorganic chemicals, whereas China imports a lot of essential oils from India. Chemical exports reached a new high of USD 29.3 billion in FY 2021-22.

In FY 2019-20, the country's chemicals and petrochemicals industry were valued USD 178 billion, and it is predicted to reach USD 300 billion by FY 2024-25. The country's organic and inorganic chemical exports were valued at USD 2.8 billion in March 2022, up 15.4 % from February 2022. India's export growth increased at a CAGR of 10% between FY 2016-17 and FY 2020-21. Thus, India has a solid position in chemical exports and imports in international market, ranking 14th in exports and 8th in imports (excluding pharmaceuticals).

(Source: IBEF, <https://www.indianchemicalnews.com/webinar/chemical-industry-outlook-2022-36/>)

Specialty Chemicals

Specialty chemicals are low-volume, high-value compounds that are employed in a variety of consumer-facing industries. Exports and domestic sales provide about equal income for India's specialised chemicals industry. Domestic demand recovery and higher realisations owing to increased crude oil prices and stronger exports are expected to drive revenue growth to 19-20% YoY in FY 2021-22, up from 9-10% in FY 2020-21. Due to rising environmental concerns, numerous chemical businesses in China suspended operations in 2018, prompting a rise in specialty chemical manufacture in India to assure ongoing supply. On the strength of good growth visibility and increasing prospects, specialty chemical businesses in India have begun to accelerate their capex plans. Capex for specialty chemicals producers would rise 50% YoY to ₹ 6,000-6,200 Crore (USD 815-842 million) in FY 2021-22, thanks to a rebound in domestic demand and strong exports.

(Source: IBEF, <https://www.crisil.com/en/home/newsroom/press-releases/2022/03/india-to-double-specialty-chemicals-market-share-in-5-years.html>)

Dyestuff Industry

The dyes and pigments industry in India accounts for over a quarter of the global market and is predicted to expand at an 11% CAGR between 2021 and 2026. There are around 1,000 small-scale units and 50 big organised organisations in the industry. Because of the availability of raw materials and the dominance of the textile industry in these two states, Maharashtra and Gujarat produce 90% of India's dyestuffs. Textiles, paper, plastics, printing ink, and foodstuffs are just a few of India's significant dye uses. The dyes market in India grew at a positive CAGR, owing to environmental crackdowns in China, which resulted in the closure of numerous domestic dye companies. This boosted Indian dyes makers' domestic sales. In terms of volume, India's dyes industry generated over 2 Lacs MTPA of domestic output in 2017. The expanding need for dyes and pigments in India is being driven by the growing demand for organic pigments, which are the most frequent kind of pigment produced in India, accounting for around 58% of total pigment output. Another driving force in the sector is customers' growing spending power and changing lifestyles. Their desire for new and high-quality goods is propelling the sector forward. With urbanisation comes

MANAGEMENT ANALYSIS AND DISCUSSION (CONTD.)

increased rivalry among the big players. As a result, a wide range of items are now available on the market.

(Source: <https://www.expertmarketresearch.com/reports/india-dyes-and-pigments-market#:~:text=The%20production%20value%20of%20the,11%25%20between%202021%20and%202026.>)

Outlook

According to forecasts from numerous sources, India's GDP is expected to grow by 7.5% in FY 2022-23. Because of the lower severity of COVID-19 virus subtypes, a higher vaccination rate, and less disruption to domestic economic activities, a recovery is envisaged. Overall economic activity was constant, indicating that India has adjusted to virus-related constraints. The Indian chemical industry has a bright future since key players have concentrated on increasing capacity and expanding their reach into new and growing markets. Additional fiscal incentives, such as tax rebates and special incentives through PCPIRs or SEZs to promote downstream units, will boost industrial production and development. The industry's growth, however, is reliant to shifting circumstances such as COVID-19 spikes, trade connections with neighbouring countries, changing internal market demands, price rises, and material cost movement.

GROWTH DRIVERS

India - a Chemical Hub

International markets now view India as a chemical manufacturer. The Indian chemical industry has a promising and long-term future. The leading Indian chemical businesses will continue to gain from the closure of multiple operations in China and the European Union. Regardless, the companies are working to improve the quality and output of Indian products, and they are poised to expand enormously with significant capital expenditures and favourable Government regulations.

Rise in Demand

End-user sectors such as food processing, personal care, and home care are driving growth in India's specialty chemicals industry. Small and medium-sized industries in the domestic chemicals industry are predicted to expand by 18-23% in revenue in FY 2021-22, owing to increased domestic demand and greater realisation due to high chemical prices.

Increase in Investment

Specialty chemical businesses in India are growing their capacity to meet increased domestic and international demand. Between April 2000 and December 2021, FDI inflows into the chemicals industry (excluding fertilisers) totalled USD 19.09 billion. Except for hazardous chemicals, 100% FDI is now permissible in the chemical sector via the automated approach.

Expanding Export in Emerging Markets

India's proportion in global chemical exports is under 2%. Emerging markets such as Africa, the Middle East, and Asia-Pacific present India's chemical sector with a wonderful opportunity. These nations are expanding at a quicker rate than North America and Europe's developed countries, creating additional prospects for export to India's large and small chemical companies. Increased expansion in these emerging markets will provide India with additional export prospects.

Government Initiative

The Indian Government sees the chemical industry as a crucial economic driver and expects it to account for 25% of manufacturing GDP by 2025. The Department of Chemicals and Petrochemicals was given a budget of ₹ 209 Crores (USD 27.43 million) in the Union Budget 2022-23. With a budget of ₹ 1,629 Crores (USD 213.81 million), PLI projects have been implemented to promote Bulk Drug Parks. The Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) policy is now undergoing a major overhaul. The new PCPIR Policy 2020-35 aims to invest ₹ 10 Lacs Crore (USD 142 billion) in all PCPIRs regions across the nation by 2025, ₹ 15 Lacs Crore (USD 213 billion) by 2030, and ₹ 20 Lacs Crore (USD 284 billion) by 2035. A total of 33.83 Lacs people are scheduled to be employed by the four PCPIRs. Other positive Government efforts, such as Aatmanirbhar Bharat, are expected to improve the manufacturing sector, benefiting the industry and the Company indirectly.

(Source: IBEF)

Company Overview

Bodal Chemicals Ltd. (BCL) is an integrated and innovative organisation that provides its clients with end-to-end specialty chemical solutions. The Company is one of the world's major manufacturers and exporters of Dyes Intermediate, Dyestuff, and Sulphuric Acid, with vertically and horizontally integrated operations that give product and service solutions to clients in the

MANAGEMENT ANALYSIS AND DISCUSSION (CONTD.)

shortest time feasible. It began as a dye intermediates company in 1989 and has subsequently expanded into producing dyestuff and basic chemicals through forward and backward integration. In 2006, it was listed on the stock markets. The Company is the largest local maker of dye intermediates and the most integrated company of India.

Presently, the Company operates 11 manufacturing plants in Ahmedabad, Vadodara, Kambhat, and Punjab. Textile, paper, leather, water purification, and other specialised chemicals and products have been produced by our manufacturing operations. It has installed capacity of 33,000 MTPA for dye intermediates, 45,000 MTPA for dyestuff (including liquid dyes), and 2,26,000 MTPA for basic chemicals. Almost half of the basic chemicals and colour intermediates produced are utilised in-house, resulting in cost savings, operational efficiencies, and greater raw material security for the Company.

Operational and Financial Overview

Bodal Chemicals Ltd's total revenue has grown by 64.8% on a standalone basis to ₹ 18,914.6 million. In FY 2021-22, the EBITDA stands at ₹ 2,444.1 million, compared to ₹ 1,182.0 million in FY 2020-21, a growth of 106.8%. In FY 2021-22, the PAT has grown by 181.1% reaching ₹ 1,358.2 million, compared to ₹ 483.2 million in FY 2020-21. In comparison to ₹ 3.95 in FY 2020-21, EPS has climbed to ₹ 11.09.

On a consolidated basis, the Company's total revenue has increased by 66.5% reaching ₹ 20,679.7 million. EBITDA stands at ₹ 2,369.3 million in FY 2021-22, compared to ₹ 1,198.4 million in FY 2020-21, growth by 97.7%. While PAT stands at ₹ 986.6 million in FY 2021-22, compared to ₹ 397.7 million in FY 2020-21, a growth of 148.1%. In comparison to ₹ 3.25 in FY 2020-21, EPS stands at ₹ 8.79. A stronger product mix and improved price realisation were the main drivers of this rise.

Consolidated Financials

Particulars	(₹ in million)	
	FY 2021-22	FY 2020-21
Total Revenue	20,679.7	12,423.7
R&D Expenses	49.48	40.13
Earnings before Interest, Tax, Depreciation and Amortisation	2,369.3	1,198.4
Profit Before Tax	1,420.5	553.8
Profit After Tax	986.6	397.7
Total Assets	21,223.1	17,554.2
EPS (in ₹)	8.79	3.25

Name of Metric	FY 2021-22	FY 2020-21	% Change Increase (Decrease)	Explanation in case of change is 25% or more, as compared to previous year
Inventory Turnover	3.07	3.32	-7.53%	-
Current Ratio	1.33	1.31	1.52%	-
Debt-Equity Ratio	0.57	0.43	31.68%	Company has started Capex and part of it is financed by debt
Debtors' Turnover	4.27	2.95	45.10%	High turnover in last quarter due to mainly price effect leading to high debtors on Balance sheet date
Operating Profit Margin	10.72%	6.45%	66.20%	In FY 21, profit was below normal due to CoVID-19
Net Profit Margin	7.25%	4.28%	69.51%	
Return on Net Worth	12.86%	5.02%	156.04%	
Interest Coverage Ratio	11.64	10.94	6.41%	-

Capex for Future Sustainability

The Company has incurred capex throughout the year in order to propel it to the next level of growth. The Company anticipates a total expenditure of around ₹ 6,700 million, with commercialisation partly in FY 2020-23 and balance part in FY 2023-24. The Company is spending about ₹ 4,000 million in a greenfield project in Saykha, Gujarat, that would boost capacity for Specialty Benzene Downstream Products by 78,960 MTPA and Sulphuric Acid and its derivatives by 340,000 MTPA. At this factory, the Company will set up an integrated product chain, which will result in cost savings, increased productivity, and higher profit margins. At optimum utilisation levels, the Company estimates these projects to generate incremental revenues of roughly ₹ 5,500 million, with EBITDA margins of 15 to 18%.

In March 2021, the Company strategically acquired Siel Chemical Complex (SCC) plant, a business of Mawana Sugars Ltd., located in Rajpura, Punjab, for ₹ 1,522 million in capex. With a Caustic Soda capacity of 82,500 MTPA and a well-diversified client base, this is one of the leading

MANAGEMENT ANALYSIS AND DISCUSSION (CONTD.)

plant in the Chlor Alkali industry in north India. The Company is upgrading the plant's technology, resulting in a significant decrease in power costs, yearly repair and maintenance expenditures (cell refurbishment costs), and an increase in Caustic Soda plant output capacity from 82,500 MTPA to 99,000 MTPA. After upgrading the facility to optimum utilisation levels, the Company anticipates this plant to produce revenue of roughly ₹ 3,000 million, with EBITDA margins in the region of 20 to 22% on sustainable basis.

Greenfield Saykha Project

Project Cost	~ ₹ 4,000 million
Project Location	Saykha, Gujarat
Products	Benzene Downstream ~78,960 MTPA + Sulphuric Acid ~3,40,000 MTPA
Project Cost	~ ₹ 2,200 million Benzene + ~ ₹ 1,250 S. Acid million + ~ ₹ 650 million onetime additional cost = ~ ₹ 4,000 million
Expected Revenue	₹ 5,500 million with EBIDTA Margin of 15% - 18%
Expected Commercialisation	Q1 FY 2023-24
End-User Industry	Pharmaceuticals, Agrochemicals, Dyes Industry and Rubber Industry
Key Rationale	- Enhance 'Specialty Chemicals Segment' - Import substitution - Integration for cost efficiency, better productivity and high margins - Portfolio diversification

Acquisition of Siel Chemical Complex (SCC)

Project Cost	~ ₹ 2,700 million
Project Location	Rajpura, Punjab
Products	Chlor Alkali Products (Existing Caustic Soda Capacity - 82,500 MTPA, post upgradation ~99,000 MTPA)
Project Cost	~ ₹ 1,484 million Slump Sale + ₹ 38.5 million Stamp Duty + ~ ₹ 1,000-1,250 million upgradation = ~ ₹ 2,700 million
Expected Revenue	~ ₹ 3,000 million with 20-22% margin
Expected Commercialisation	~70% of current capacity will be operational in FY 2021-22 Complete Upgradation by Q3FY 2022-23
End-User Industry	Paper, Soap & Detergent, Textile
Key Rationale	- Acquired from Mawana Sugars Ltd., with ~60 acres surplus land out of ~124 acres - One of the largest players in North India - Integrated with Chlorine for captive consumption - Strong Client Base: HUL, Nestle, IOC, HPCL, Vardhman, and Trident Group etc.

Environmental Goals

The Company has reorganised and broadened its responsibility for Environment, Health, Safety, and Sustainability (EHSS) operations, with sustainability as one of the Company's top priorities. On the environment front, the Company has installed the world's most modern technology and partnered with Advent Envirocare for technology-related challenges. It has erected the world's first Brine Treatment Plant at Unit-VII, which uses Modern Water's all-membrane brine concentration technique (AMBC) to achieve Zero Liquid Discharge by treating Dyes effluent. It also features an Efficient Treatment Plant (ETP) to treat low and heavy load waste water. Furthermore, the Company participates in many certification programmes and is familiar with environmental certifications such as ISO, Bluesign, ZDHC, and GOTS.

Key Risks and Mitigation Strategies

All of the Company's business activities include some level of risk. The Company recognises, assesses, and manages risks by putting in place suitable mitigation measures. The Company has a well-developed risk management structure that aids in its resilience. In the constantly changing environment in which the Company operates, risk analysis and mitigation are crucial.

Risk	Impact	Mitigation
Competition Risk	- The Company might fail to act on the underlying opportunities in a timely manner - Increased and intensified competition might hurt the Company's market share, margin profile, and return on capital employed	- The Company is always aware of new prospects in the chemical industry and responds proactively by introducing new products to its portfolio - Our long-standing client connections help us manage this risk as a chosen supplier and dependable partner
Foreign currency exchange rate risk	- Foreign exchange rate changes might have a substantial influence on our financial performance with our exports accounting for 32% of our revenue, and significant portion of our raw material being imported	- Our strong foreign exchange hedging mechanism and processes, such as forward contracts, help us to manage this risk

MANAGEMENT ANALYSIS AND DISCUSSION (CONTD.)

Risk	Impact	Mitigation
Raw material price risk	- Sharp increases in crude oil prices and the pricing of other raw materials acquired by the Company might have an impact on the bottom line	- Our backward integration enables us to receive a consistent supply of raw materials at a low cost. The Company is working to progressively lessen our reliance on outside vendors, reducing the risk
Labour disputes risk	- Industrial conflicts might result in strikes, limiting our capacity to fulfill client demands	- The Company has open lines of communication with its workforce and maintains a friendly and open connection with its employees, workers, subcontractors, and others, thereby reducing the risk
Quality risk	- A reduction in product quality might compromise customer relationships, lowering profitability	- We have a rigorous quality-control system in place and adhere to all external requirements

Human Resource Management

The level of employee satisfaction in an organisation determines its success. Bodal thinks that the Company is governed by its people resources. The Company has often emphasised the importance of having a diverse team on board and cherishes each individual's input. Our ability to recognise, recruit, and retain talent has boosted our growth tremendously.

The group's strength resides in working and growing as a team. Training and skill development are critical for contributing to the overall growth of personnel and the organisation. The Company organises training and development sessions for its workforce, motivating and empowering them to unleash their full potential. All our employees are subjected to a rigorous training programme. Such initiatives aid in the recruitment and retention of top talent across the sector. The Company has implemented important HR initiatives and people management practises effectively. The Company's employee strength as of 31st March 2022 stood at 2025.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

Supply Chain Management

Bodal Chemicals Ltd. has a global footprint and serves 50+ countries with its innovative products and services. The Company has developed supply chain

management systems that allow its clients to stay ahead of the competition at all times. To function, supply chain management relies on a combination of corporate strategy, specialised tools, and teamwork. It is the coordinated planning and execution of processes that control the flow of resources, information, and financial capital in operations like demand forecasting, procurement, manufacturing, inventory management and storage, transportation/logistics and product returns. The Company is constantly investing in supply chain optimisation, trade partner competency growth, and sales force development. In addition, the Company's initiative for continuous monitoring and modification of all production facilities aids in improving responsiveness.

Information Technology

Information Technology (IT) offers constant support for corporate processes, giving the Company a competitive advantage. IT encompassing the systems and software necessary for the processing of data and other information, is at the heart of practically every element of today's modern civilisation. The Company keeps a close check on the IT system and infrastructure in order to improve at every level and provide accurate results with timely upgrades and cutting-edge technology. Furthermore, Bodal Chemicals Ltd. has installed a complete ERP system to assist in expanding its supply chain and providing precise projections for sourcing and supply.

Cautionary Statement

Statements in the Directors' Report, Management Discussion and Analysis or elsewhere in this Annual Report, contain 'forward-looking statements' including, but without limitation, statements relating to the implementation of strategic initiatives and other statements relating to Bodal Chemicals Ltd's future business developments and economic performance. While these forward-looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macroeconomic, Governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Bodal Chemicals Ltd. undertakes no obligation to publicly revise any forward-looking statements to reflect future/likely events or circumstances.

INDEPENDENT AUDITOR'S REPORT

To
The Members of BODAL CHEMICALS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **BODAL CHEMICALS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	Timely recognition of revenue (Refer Note 1.3 and Note 28 to the Standalone Financial Statements) We focussed on this area as a Key audit matter due to the risk of incorrect timing of revenue recognition. Since the Company focuses on revenue as a key performance measure, it could create an incentive for revenue to be recognized though the performance obligations have not been satisfied by the Company.	Principal audit procedures performed: Our audit procedures were a combination of test of controls and substantive procedures which included the following: - Evaluated the design of internal controls relating to recording of revenues at reporting periods. - Selected a sample of invoices and tested the operating effectiveness of internal controls relating to revenue cut off's. - Performed cut-off procedures (early and late cut off's) for sample of revenue transactions at year-end by testing the underlying invoices to the related delivery documents.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Corporate Governance Report and Management Discussion & Analysis, but does not include consolidated financial statements, standalone financial statements, and our auditor's reports thereon. These reports are expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information.'

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and

completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act,

INDEPENDENT AUDITOR'S REPORT (CONTD.)

we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other

matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's

INDEPENDENT AUDITOR'S REPORT (CONTD.)

internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 62(i) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 17.6 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Varsha A. Fadte

Partner

Panaji, Goa
27th May, 2022

(Membership No. 103999)
UDIN:22103999AJSHQL2614

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Bodal Chemicals Limited (“the Company”) as of 31st March, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (CONTD.)

the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting

were operating effectively as at 31st March, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Varsha A. Fadte

Partner

Panaji, Goa

27th May, 2022

(Membership No. 103999)

UDIN:22103999AJSHQL2614

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets).

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of verification of property, plant and equipment, capital work-in-progress and right-of-use assets so to cover all the items once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were due for physical verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on our examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and non-current assets held for sale are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its property, plant and equipment including Right of Use assets and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property

under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii) (a) The inventories except for (goods-in-transit and stocks held with third parties) were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods in transit, the goods have been received subsequent to the year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/alternate procedures performed as applicable, when compared with books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising (stock statements, book debt statements, statements on ageing analysis of the debtors/ other receivables, and other stipulated financial information) filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters.

iii) The Company has made investments in, provided guarantee or security, and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:

(a) During the year, the Company has provided loans and stood guarantee, details of which are given below:

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT (CONTD.)

	Amount (₹ in million)	
	Loans	Guarantees
A. Aggregate amount granted / provided during the year:		
Subsidiaries	1,593.42	200.85
B. Balance outstanding as at balance sheet date in respect of above cases:		
Subsidiaries	1,288.74	200.85

The Company has not provided any advances in the nature of loans or security to any other entity during the year.

- (b) The investments made, guarantees provided and the terms and conditions of the grant of all the above-mentioned loans and guarantees provided, during the year are, in our opinion, *prima facie*, not prejudicial to the Company’s interest.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments of principal amounts and payment of interest.
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) None of the loans granted by the Company have fallen due during the year.
- (f) The Company has granted Loans without specifying any terms or period of repayment and details of which are given below:

Amount (₹ in million)	
Particulars	Related Parties
Aggregate of loans:	
- Agreement does not specify any terms or period of repayment	1,593.42
Percentage of loans to the total loans	99.66%

iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii) According to the information and explanations given to us, in respect of statutory dues:

- (a) Undisputed statutory dues, including Goods & Service Tax, Provident Fund, Employees’ State Insurance, Income Tax, Customs Duty, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods & Service Tax, Provident Fund, Employees’ State Insurance, Income Tax, Customs Duty, cess and other material statutory dues in arrears as at 31st March, 2022 for a period of more than six months from the date they became payable.

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT (CONTD.)

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March, 2022 on account of disputes are given below:

Name of the statute	Nature of the Dues	Forum where dispute is pending	Period to which the amount relates	Amount involved ₹ in million	Amount unpaid ₹ in million
Income Tax Act, 1961	Demand for Tax	Commissioner of Income Tax (Appeals)	AY 2006-07 AY 2007-08 AY 2008-09 AY 2010-11 and AY 2016-17	62.84	-
		Deputy Commissioner of Income Tax	AY 2014-2015	0.72	-
		Assessing Officer	Various	21.20	18.45
Central Excise Act, 1944	Demand for Tax and Penalty	Customs Excise and Service Tax Appellate Tribunal	FY 2005-2015	25.05	24.51
		Commissioner (Appeals)	FY 2009-2015	0.18	0.18
		Assistance Commissioner	FY 2021-2022	0.30	0.30

viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application in respect of term loans raised towards the end of the year.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, *prima facie*, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has

not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and associates. The Company does not have any joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies. The Company does not have any joint ventures.

x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT (CONTD.)

under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered for the period under audit, the internal audit reports issued to the Company during the year including those issued after the balance date and covering the period upto March 2022.
- xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi) (d) of the Order is not applicable.
- xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors of the Company during the year.
- xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information

accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.
- xxi) According to the information and explanations given to us, and based on the CARO reports issued by the auditors of the subsidiaries and associates included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, provided to us by the Management of the Company and based on the identification of matters of qualifications or adverse remarks in their CARO reports by the respective component auditors and provided to us, we report that the auditors of such companies have not reported any qualifications or adverse remarks in their CARO report.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Varsha A. Fadte

Partner

(Membership No. 103999)

UDIN:22103999AJSHQL2614

Panaji, Goa
27th May, 2022

STANDALONE BALANCE SHEET AS AT 31ST MARCH 2022

Particulars	Notes	(₹ in Million)	
		As at 31st March 2022	As at 31st March 2021
ASSETS			
Non - Current Assets :			
Property, Plant and Equipment	2	7,466.39	7,567.59
Capital Work-in-progress		694.53	44.85
Right of Use Asset	3	-	-
Goodwill	4	22.58	22.58
Intangible Assets	4	4.78	6.19
Financial Assets			
Investments	5	703.86	441.64
Loans	6	1,306.00	1,263.84
Other Financial Assets	7	491.15	210.27
Income Tax Assets (Net)	8	150.34	152.24
Other Non-Current Assets	9	612.59	109.00
Total Non - Current Assets		11,452.22	9,818.20
Current Assets			
Inventories	10	4,133.73	2,545.29
Financial Assets			
Trade Receivables	11	3,811.84	2,889.61
Customers Bill Discounted	11	997.98	1,065.91
Cash and Cash Equivalents	12	25.72	60.58
Other Bank Balances	13	58.48	43.72
Loans	14	47.50	25.55
Other Financial Assets	15	7.43	7.21
Other Current Assets	16	572.45	604.31
Assets held for sale		91.97	16.20
Total Current Assets		9,747.10	7,258.38
Total Assets		21,199.32	17,076.58
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	17	244.96	244.66
Other Equity	18	10,947.03	9,681.83
Total Equity		11,191.99	9,926.49
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	19	2,137.36	1,064.00
Provisions	20	-	37.88
Deferred Tax Liabilities (Net)	21	514.53	487.77
Total Non-Current Liabilities		2,651.89	1,589.65
Current Liabilities			
Financial Liabilities			
Borrowings	22	3,266.74	2,225.54
Customers Bill Discounted	22	997.98	1,065.91
Trade Payables	23		
(a) Total outstanding dues of Micro Enterprises and Small Enterprises		97.57	107.16
(b) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		2,153.85	1,944.99
Other Financial Liabilities	24	532.41	75.94
Other Current Liabilities	25	236.31	101.50
Provisions	26	8.77	24.40
Income Tax Liabilities (Net)	27	61.81	15.00
Total Current Liabilities		7,355.44	5,560.44
Total Liabilities		10,007.33	7,150.09
Total Equity and Liabilities		21,199.32	17,076.58

See Accompanying Notes forming part of the Financial Statements

1 to 63

As per our report of even date attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Varsha A. Fadte
Partner

Panaji, Goa
27th May 2022

For and on behalf of the Board of Directors

Suresh J. Patel
Chairman & Managing Director
DIN : 00007400

Mayur B. Padhya
Chief Financial Officer

Ahmedabad
27th May 2022

Bhavin S. Patel
Executive Director
DIN : 00030464

Ashutosh B. Bhatt
Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH 2022

(₹ in Million)

Particulars	Notes	Year ended 31st March 2022	Year ended 31st March 2021
INCOME			
Revenue from Operations	28	18,735.69	11,297.31
Other Income	29	178.94	180.03
Total Income		18,914.63	11,477.34
EXPENSES			
Cost of Materials Consumed	30	11,152.09	7,685.39
Purchase of Stock-in Trade	31	2.08	2.90
Changes in Inventories of Finished Goods, Work in Process and Stock in Trade	32	(895.71)	(293.51)
Employee Benefits Expense	33	1,017.34	706.34
Finance Costs	34	209.95	92.21
Depreciation and Amortisation expense	35	435.26	279.90
Bad Debts written off	35.1	-	173.25
Other Expenses	36	5,194.69	2,194.25
Total Expenses		17,115.70	10,840.73
Profit Before Tax		1,798.93	636.61
Tax Expenses	40		
Current Tax		419.34	110.87
Excess Provision of Tax of Prior Years		(3.94)	(154.80)
Current Tax		415.40	(43.93)
Deferred Tax		25.30	197.39
Total Tax Expense		440.70	153.46
Profit for the Year		1,358.23	483.15
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		5.80	2.84
Income Tax relating to items that will not be reclassified to profit or loss		(1.46)	(0.71)
Other Comprehensive Income for the Year (net of tax)		4.34	2.13
Total Comprehensive Income for the Year		1,362.57	485.28
Earnings per equity share (Face value of ₹2)	43		
Basic (in ₹)		11.09	3.95
Diluted (in ₹)		11.08	3.94

See Accompanying Notes forming part of the Financial Statements 1 to 63

As per our report of even date attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors

Varsha A. Fadte
Partner

Suresh J. Patel
Chairman & Managing Director
DIN : 00007400

Bhavin S. Patel
Executive Director
DIN : 00030464

Mayur B. Padhya
Chief Financial Officer

Ashutosh B. Bhatt
Company Secretary

Panaji, Goa
27th May 2022

Ahmedabad
27th May 2022

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH 2022

A) Equity Share Capital

(₹ in Million)

Particulars	As at 31st March 2022	As at 31st March 2021
Balance at the commencement of the year	244.66	244.66
Add : Issue of Shares under ESOP	0.30	-
Balance at the end of the year	244.96	244.66

B) Other Equity

(₹ in Million)

	Reserves & Surplus						Total
	Capital Reserves	Capital Redemption Reserve	Securities Premium	Employee Stock Options Outstanding Account	General Reserve	Retained Earnings	
Balance as at 1st April 2020 (A)	76.12	289.67	2,406.17	11.07	138.86	5,771.31	8,693.20
Additions during the year:							
Profit for the year	-	-	-	-	-	483.15	483.15
Other Comprehensive Income for the Year, Net of Tax	-	-	-	-	-	2.13	2.13
Total Comprehensive Income for FY 2020-21 (B)	-	-	-	-	-	485.28	485.28
Addition due to forfeiture of Share Warrants	431.25						431.25
Addition due to acquisition of SCC (refer note 52)	61.19						61.19
Addition due to Employee Share based Expense (refer note 50)	-	-	-	10.91	-	-	10.91
Total (C)	492.44	-	-	10.91	-	-	503.35
Balance as at 31st March 2021 (D) = (A+B+C)	568.56	289.67	2,406.17	21.98	138.86	6,256.59	9,681.83
Additions during the year:							
Profit for the year	-	-	-	-	-	1,358.23	1,358.23
Other Comprehensive Income for the Year, Net of Tax	-	-	-	-	-	4.34	4.34
Total Comprehensive Income for FY 2021-22 (E)	-	-	-	-	-	1,362.57	1,362.57
Securities Premium on issue of shares			11.27				11.27
Change due to Employee Share based Expense (refer note 50)	-	-	-	(10.66)	-	-	(10.66)
Dividends	-	-	-	-	-	(97.98)	(97.98)
Total (F)	-	-	11.27	(10.66)	-	(97.98)	(97.37)
Balance as at 31st March 2022 (D+E+F)	568.56	289.67	2,417.44	11.32	138.86	7,521.18	10,947.03

C) Money Received against Share Warrants

(₹ in Million)

Particulars	As at 31st March 2022	As at 31st March 2021
Balance at the commencement of the year	-	431.25
Addition during the year	-	-
Less : Forfeited during the year	-	(431.25)
Balance at the end of the year	-	-

As per our report of even date attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Varsha A. Fadte
Partner

Panaji, Goa
27th May 2022

For and on behalf of the Board of Directors

Suresh J. Patel
Chairman & Managing Director
DIN : 00007400

Mayur B. Padhya
Chief Financial Officer

Ahmedabad
27th May 2022

Bhavin S. Patel
Executive Director
DIN : 00030464

Ashutosh B. Bhatt
Company Secretary

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH 2022

(₹ in Million)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	1,798.93	636.61
Adjustments for		
Depreciation and Amortisation Expense	435.26	279.90
Unrealised Foreign Exchange Loss	8.79	8.43
Fair Value Gain on Investments measured through Profit or Loss	(0.42)	(32.44)
Mark-to-market Loss on derivative financial instruments	0.06	0.68
Allowance for Doubtful Trade Receivables	1.03	(0.98)
Finance Costs	209.95	92.21
Expenses recognised in respect of Share based Payments	(0.59)	10.91
Loss / (Profit) on Sale of Property, Plant & Equipment (Net)	(7.07)	1.51
Interest and Dividend Income	(128.45)	(104.28)
Profit on Sale of Investments (Net)	(40.10)	(0.02)
Provision for Diminution in Investments	-	0.00
Operating Profit before Working Capital Changes	2,277.39	892.53
Adjustment for :		
(Increase) in Trade Receivables	(846.65)	(233.38)
(Increase) in Inventories	(1,588.45)	(638.52)
(Increase) / Decrease in Financial Assets	61.57	(171.13)
(Increase) / Decrease in Other Assets	40.58	(142.12)
Increase in Trade Payables	199.03	94.96
Increase in Other Financial Liabilities	317.95	15.35
Increase in Other Liabilities and Provisions	87.11	48.97
Cash generated from / (Used in) Operations	548.53	(133.34)
Income Taxes Paid (Net of Refund)	366.69	82.40
Net Cash generated from / (Used in) Operating Activities (A)	181.84	(215.74)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment including Capital Work in Progress and Capital Advances	(1,452.95)	(1,678.52)
Sale Proceeds of Property, Plant & Equipment	27.48	22.79
Loans given to Subsidiaries	(1,593.42)	(981.38)
Loans repaid by Subsidiaries	1,219.70	823.91
Loans given to Employees (Net)	(18.07)	(5.30)
Interest/Dividend received	127.88	97.94
Inter Corporate Loans received back	-	20.03
Bank Balances not considered as Cash and Cash Equivalents		
Placed	(72.10)	(32.79)
Matured	42.92	25.51
Investment in Current Investments	-	(80.00)
Proceeds from Sale of Current Investments	102.22	80.02
Investments in Equity Shares in Subsidiaries	(323.91)	(3.76)
Investments in Associates	-	(0.03)
Net Cash used in Investing Activities (B)	(1,940.25)	(1,711.58)

STANDALONE STATEMENT OF CASH FLOWS (CONTD.)

Particulars	(₹ in Million)	
	Year ended 31st March 2022	Year ended 31st March 2021
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	1,073.36	1,064.00
Repayment of Long Term Borrowings	-	(0.19)
Increase in Short Term Borrowings (Net)	956.02	891.78
Proceeds from issue of Equity Shares under ESOP	1.52	-
Finance Costs Paid	(209.94)	(92.18)
Lease Liability Paid	-	(0.27)
Dividend Paid on Equity Shares	(97.41)	0.01
Net Cash from Financing Activities (C)	1,723.55	1,863.15
NET DECREASE IN CASH & EQUIVALENTS	(34.86)	(64.17)
Cash & Cash Equivalents at the beginning of the year	60.58	124.75
Cash & Cash Equivalents at the end of the year	25.72	60.58

Note i) : The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Ind AS 7 'Statement of Cash Flows'.

Note ii) : Changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, are given below.

Note iii) : amount below ₹ 5,000 denoted as 0.00.

Particulars	Non-Current (Refer Note 19)	Current (Refer Note 22)
Borrowing as on 31st March 2021	1,064.00	3,291.45
Cash Flows	1,073.36	956.02
Non Cash Changes - Foreign Exchange Movement	-	17.25
Borrowing as on 31st March 2022	2,137.36	4,264.72

See Accompanying Notes forming part of the Financial Statements 1 to 63

As per our report of even date attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Varsha A. Fadte
Partner

Panaji, Goa
27th May 2022

For and on behalf of the Board of Directors

Suresh J. Patel
Chairman & Managing Director
DIN : 00007400

Mayur B. Padhya
Chief Financial Officer
Ahmedabad
27th May 2022

Bhavin S. Patel
Executive Director
DIN : 00030464

Ashutosh B. Bhatt
Company Secretary

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

COMPANY BACKGROUND

Bodal Chemicals Ltd. ('the Company') is a public Ltd. Company incorporated in India. The registered office of the Company is located at Plot No. 123-124, Phase – I, G.I.D.C., Vatva, Ahmedabad - 382445, India.

The Company is engaged in the business of manufacturing of Dyes, Dye Intermediates and Basic Chemicals.

1 Significant Accounting Policies:

1.1 Statement of compliance:

The standalone financial statements are prepared in accordance with and in compliance, in all material aspects, with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read along with Companies (Indian Accounting Standards) Rules, as amended and other provisions of the Act. The presentation of the Financial Statements is based on Ind AS Schedule III of the Act.

1.2 Basis of Preparation of Financial Statements:

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy.

In addition, the financial statements are presented in ₹ and all values are rounded to the nearest million except when otherwise indicated

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement

and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability

The principal accounting policies are set out below.

1.3 Revenue Recognition:

a) Revenue from contracts with customer

Revenue is recognised when control of goods is transferred to a customer in accordance with the terms of the contract. The control of the goods is transferred upon delivery to the customers either at factory gate of the Company or specific location of the customer or when the goods are handed over to the freight carrier, as per the terms of the contract. A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

b) Other income

Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

1.4 Lease

(i) Under Ind AS 116 Leases:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments associated with these leases are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Lease term is a non-cancellable period together with periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an

estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently amortised using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be amortised over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments to be paid over the lease term at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method.

1.5 Foreign Currencies:

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

1.6 Employee Benefits:

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Remeasurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the Company can no longer

withdraw the offer of the termination benefit and when the Company recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits such as compensated absences are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date. These are determined actuarially using the projected unit credit method.

1.7 Share Based Payments

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity settled share based payments transactions are set out in Note 50.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Employee Stock Options Outstanding Account.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

1.8 Taxation:

Income tax expense represents the sum of the current tax and deferred tax.

Current tax

The current tax payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

1.9 Property, plant and equipment:

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the Balance Sheet at cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital work-in-progress'.

Depreciation Methods, Estimated Useful Lives and Residual Value

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives prescribed in Schedule II to the Companies Act, 2013, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Freehold land is not depreciated

Property, Plant & Equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Useful lives of tangible assets

Estimated useful lives of the tangible assets are as follows:

Buildings	30-60 years
Plant & Machinery	20 years
Furniture & Fixtures	10 years
Vehicles	8-10 years
Office Equipments & Computers	3-5 years

Capital work in progress is stated at cost less accumulated impairment loss, if any.

1.10 Intangible Assets:

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

De-recognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Intangible assets are amortised on a straight-line basis over their technically assessed useful lives, as mentioned below:

Intangible Assets	Estimated Useful Lives (Years)
Software	5
License/Membership Fees	10
Website	5

1.11 Impairment of tangible and intangible assets other than goodwill:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.12 Inventories:

Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realisable value after providing for obsolescence, if any. The comparison of cost and net realisable value is made on an item-by item basis.

In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, First-in-First-Out (FIFO) method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads as applicable and other costs incurred in bringing the inventories to their present location and condition.

Materials in transit are valued at cost-to-date.

1.13 Provision, Contingent Liabilities and Contingent Assets :

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle

the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A contingent liability exists when there is a possible but not probable obligation or a present obligation that may, but probably will not; require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

1.14 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the financial asset or settle the financial liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

market participant that would use the asset in its highest and best use. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.15 Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are

directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

An equity instrument is any contract that evidences a residual interest in the assets of a Company after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

1.16 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For the impairment policy on financial assets measured at amortised cost, refer paragraph of Impairment of financial assets.

A financial asset that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVOCI).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

- The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

For the impairment policy on debt instruments at FVTOCI, refer paragraph of Impairment of financial assets.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Financial assets at fair value through profit or loss (FVTPL)

A financial asset that does not meet the amortised cost criteria or FVTOCI criteria (see above) is measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the Company, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as

permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

1.17 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Finance Costs' line item.

1.18 Derivative Financial Instrument and Hedge Accounting:

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

Recognition and measurement of fair value hedge:

Derivative financial instrument is initially recognised at fair value on the date on which a derivative contract is entered into and is subsequently measured at fair value at each reporting date. Gain or loss arising from changes in the fair value of derivative financial instrument is recognised in the Statement of Profit and Loss. Derivative financial instrument is recognised as a financial asset in the Balance Sheet if its fair value as at reporting dates is positive as compared to carrying value and as a financial liability if its fair value as at reporting date is negative as compared to carrying value.

1.19 Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.20 Operating Cycle:

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

1.21 Cash and Cash Equivalents:

The Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

1.22 Borrowing Costs:

Borrowing costs attributable to the acquisition, construction or production of qualifying assets, are added to the cost of those assets, up to the date when the assets are ready for their intended use. All other borrowing costs are expensed in the period they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.23 Government grants and Subsidies:

Government grants are recognised when there is a reasonable assurance that the Company will comply with the conditions attached to them and grants will be received.

Government grants are recognised in Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the Balance Sheet and transferred to Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in Statement Profit and Loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government's grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

1.24 Offsetting of Financial Instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset

the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.25 Earnings per Share:

Basic earnings per equity share is computed by dividing the net profit/(loss) attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

1.26 Use of Estimates

The preparation of the financial statements in conformity with Ind-AS requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities (including contingent liabilities) on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

1.27 Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Revisions to accounting estimates are recognised prospectively.

The areas involving critical estimates or judgments are:

- Estimation of defined benefit obligation (Note 1.6)
- Estimation of Useful life of Property, plant and equipment and intangibles (Note 1.9)
- Estimation of taxes (Note 1.8)
- Estimation of impairment (Note 1.11)

1.28 Business Combinations and Goodwill

The Company accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the standalone statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in

an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in other comprehensive income (OCI) and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the Company recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Further details including the key assumptions adopted to determine the recoverable amount of goodwill are detailed in note 4 of consolidated financial statements.

1.29 Dividend distribution to equity shareholders

The Company recognises a liability to make dividend distributions to its equity holders when the distribution is authorised and the distribution is no longer at its discretion. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

In case of Interim Dividend, the liability is recognised on its declaration by the Board of Directors.

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1.30 Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23rd March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1st April 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company is in the process of assessing the impact of the amendment in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company is in the process of assessing the impact of the amendment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact on its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 %' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company is in the process of assessing the impact of the amendment in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration.

The Company is in the process of assessing the impact of the amendment in its financial statements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

2. Property, Plant and Equipment

(₹ in Million)

	Land (Freehold)	Factory Building	Office Building	Plant & Machinery	Furniture & Fixture	Office Equipment	Vehicles	Total
Balance as at 31st March 2020	1,095.12	1,424.71	155.51	4,029.13	89.06	60.22	90.16	6,943.91
Additions	7.74	86.84	4.37	169.95	5.39	6.26	6.67	287.22
Addition on Acquisition of SCC (refer note 52)	595.22	219.02	-	667.31	0.00	0.65	1.51	1,483.71
Asset reclassified as held for sale	16.20	-	-	-	-	-	-	16.20
Disposals	-	-	-	9.17	-	0.86	3.81	13.84
Balance as at 31st March 2021	1,681.88	1,730.57	159.88	4,857.22	94.45	66.27	94.53	8,684.80
Additions	83.35	12.98	0.14	279.57	2.86	12.01	37.45	428.36
Asset reclassified as held for sale	75.77	-	-	-	-	-	-	75.77
Disposals	1.05	2.23	-	21.60	-	0.04	6.52	31.44
Balance as at 31st March 2022	1,688.41	1,741.32	160.02	5,115.19	97.31	78.24	125.46	9,005.95

(₹ in Million)

	Land (Freehold)	Factory Building	Office Building	Plant & Machinery	Furniture & Fixture	Office Equipment	Vehicles	Total
Accumulated Depreciation								
Balance as at 31st March 2020	-	149.32	3.37	637.83	10.56	21.09	23.96	846.13
Additions	-	47.56	2.51	198.13	8.10	11.60	9.25	277.15
Disposals	-	-	-	3.26	-	0.63	2.18	6.07
Balance as at 31st March 2021	-	196.88	5.88	832.70	18.66	32.06	31.03	1,117.21
Additions	-	57.24	2.54	339.01	8.49	13.70	12.41	433.39
Disposals	-	0.59	-	6.88	-	0.03	3.54	11.04
Balance as at 31st March 2022	-	253.53	8.42	1,164.83	27.15	45.73	39.90	1,539.56
Net Block								
Balance as at 31st March 2021	1,681.88	1,533.69	154.00	4,024.52	75.79	34.21	63.50	7,567.59
Balance as at 31st March 2022	1,688.41	1,487.79	151.60	3,950.36	70.16	32.51	85.56	7,466.39

3. Right of Use Assets

Particulars	Building (₹ in million)
GROSS CARRYING VALUE	
At 1st April 2020	0.52
At 31st March 2021	0.52
At 31st March 2022	0.52
ACCUMULATED AMORTISATION	
At 1st April 2020	0.26
Amortisation Expense	0.26
At 31st March 2021	0.52
Amortisation Expense	-
At 31st March 2022	0.52
Net Carrying Value as at 31st March 2022	-

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

4. Intangible Assets

(₹ in Million)

	Goodwill	Other Intangibles			
		Computer Software	Membership Fees	Website	Total
Balance as at 31st March 2020	22.58	9.50	9.13	-	18.63
Additions	-	0.70	-	-	0.70
Disposals	-	-	0.20	-	0.20
Balance as at 31st March 2021	22.58	10.20	8.93	-	19.13
Additions	-	0.46	-	-	0.46
Disposals	-	-	-	-	-
Balance as at 31st March 2022	22.58	10.66	8.93	-	19.59
Accumulated Amortisation					
Balance as at 31st March 2020	-	4.10	6.22	-	10.32
Additions	-	1.69	0.80	-	2.49
Disposals	-	-	(0.13)	-	(0.13)
Balance as at 31st March 2021	-	5.79	7.15	-	12.94
Additions	-	1.47	0.40	-	1.87
Disposals	-	-	-	-	-
Balance as at 31st March 2022	-	7.26	7.55	-	14.81
Net Block					
Balance as at 31st March 2021	22.58	4.41	1.78	-	6.19
Balance as at 31st March 2022	22.58	3.40	1.38	-	4.78

5. Investments (Non-Current)

(₹ in Million)

Particulars	As at 31st March 2022	As at 31st March 2021
Quoted		
Investments in Equity Instruments - carried at FVTPL		
100 (P.Y. : 100) Equity Shares of Beta Nepthol Ltd. of ₹ 10/- Each Fully Paid Up	0.00	0.00
6,500 (P.Y. : 4,00,000) Equity Shares of Bhageria Industries Ltd. of ₹ 5/- Each Fully Paid Up	1.45	63.04
	1.45	63.04
Less : Impairment Loss	0.00	0.00
Total of Investments in Equity Instruments	1.45	63.04
Total of Quoted Investments	1.45	63.04

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

(₹ in Million)

Particulars	As at 31st March 2022	As at 31st March 2021
Unquoted		
Investments in Equity Instruments		
Investment in Subsidiaries - carried at Cost		
1,13,634 (P.Y. : 1,13,634) Equity Shares of SPS Processors Pvt. Ltd. of ₹ 100/- Each Fully Paid Up.	40.91	40.91
10,000 (P.Y. : 10,000) Equity Shares of Bodal Chemicals Trading Pvt. Ltd. of ₹ 10/- Each Fully Paid Up.	0.10	0.10
Equity Shares of Bodal Chemicals Trading (Shijiazhuang) Co. Ltd.	20.57	13.14
586 (P.Y. : 586) Equity Shares of Bodal Bangla Ltd.	5.14	5.14
1,87,00,000 (P.Y. : 1,49,60,000) Equity Shares of Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd.	634.42	317.94
Investment in Associate - carried at Cost		
2,500 (P.Y. : 2,500) Equity Shares of Plutoeco Enviro Association of ₹ 10/- Each Fully Paid Up (Refer Note 42)	0.03	0.03
Investments in Other Entities		
250 (P.Y. : 250) Equity Shares of Green Environment Ser. Co-op.Soc. Ltd. of ₹ 100/- each Fully Paid Up	0.03	0.03
1,02,350 (P.Y. : 1,12,350) Equity Shares of BEIL Infrastructure Ltd of ₹ 10/-each Fully Paid Up	1.02	1.12
100 (P.Y. : 100) Equity Shares of Guj.Ind. Waste Mng. Co. Ltd. of ₹ 10/- Each Fully Paid Up*	0.00	0.00
10 (P.Y. : 10) Equity Shares of The Bhagoydaya Co-op. Bank Ltd. of ₹ 100/- Each Fully Paid Up	0.00	0.00
10,200 (P.Y. : 10,200) Equity Shares of Panoli Enviro Technology Ltd. of ₹ 10/- Each Fully Paid Up	0.10	0.10
3,542 (P.Y. : 3,542) Equity Shares of Makarpura Ind.Est. Co-op. Bank Ltd. of ₹ 25/- Each Fully Paid Up	0.09	0.09
Total of Investments in Equity Instruments (Unquoted)	702.41	378.60
Less : Impairment Loss*	0.00	0.00
Total of Unquoted Investments	702.41	378.60
Total of Non-Current Investments	703.86	441.64

* Provision for impairment loss on 100 Equity Shares of Guj.Ind. Waste Mng. Co. Ltd. of ₹ 10/- Each Fully Paid Up amount below ₹ 5,000 denoted as 0.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

6. Loans (Non-Current)

(₹ in Million)

Particulars	As at 31st March 2022	As at 31st March 2021
(Unsecured and Considered Good)		
Loans to Employees	17.21	21.08
Loans to Subsidiary Companies (refer note 42)	1,288.79	1,242.76
Total	1,306.00	1,263.84

6.1 Following loans and advances have been advanced by the entity to its related parties.

A) Repayable on Demand : NIL

B) Without any terms : 1288.79 million

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentages to the total loans or advances in the nature of loan outstanding
Subsidiary Company	1,288.79	100%

7. Other Financial Assets (Non-Current)

(₹ in Million)

Particulars	As at 31st March 2022	As at 31st March 2021
Security Deposits	128.49	190.85
Margin Money Deposits with Bank with maturity after twelve months from the reporting date*	34.97	19.42
Advance for investment in equity shares of a subsidiary (refer note 42)	327.69	-
Total	491.15	210.27

* Held as lien by bank against bank guarantees and letters of credit.

8. Income Tax Assets (Net)

(₹ in Million)

Particulars	As at 31st March 2022	As at 31st March 2021
Income Tax Assets (Net)	150.34	152.24
Total	150.34	152.24

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

9. Other Non-Current Assets (Unsecured and Considered Good)

(₹ in Million)

Particulars	As at 31st March 2022	As at 31st March 2021
Capital Advances	604.08	91.76
Balance with Statutory Authorities	7.49	7.49
Prepaid Expenses	1.02	0.89
Gratuity Plan Assets (Net)	-	8.86
Total	612.59	109.00

9.1 Capital Advances include ₹ 14.43 million (P.Y. : ₹ 5.46 million) to related parties. (refer note 42)

9.2 Balance with statutory authorities includes balances with GST, Excise, Service Tax, Sales Tax, Customs Dept. etc.

10. Inventories (Valued at the lower of Cost or Net Realisable Value)

(₹ in Million)

Particulars	As at 31st March 2022	As at 31st March 2021
a) Raw Materials	1,317.80	604.52
Raw Materials in Transit	38.60	128.71
	1,356.40	733.23
b) Finished Goods	563.88	454.29
Finished Goods in Transit	160.31	213.81
	724.19	668.10
c) Stock In Process	1,831.61	992.01
	1,831.61	992.01
d) Stock In Trade	2.68	2.66
	2.68	2.66
e) Packing Materials	18.47	12.80
Packing Materials in Transit	0.39	0.06
	18.86	12.86
f) Stock of Fuel	22.57	7.64
Fuel in Transit	0.68	0.52
	23.25	8.16
g) Stores and Spares	173.95	128.07
Stores and spares in Transit	2.79	0.20
	176.74	128.27
Total	4,133.73	2,545.29

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

11. Trade Receivables

(₹ in Million)

Particulars	As at 31st March 2022	As at 31st March 2021
Trade receivables		
Secured & Considered Good	4.35	-
Unsecured & Considered Good	4,805.47	3,955.52
Unsecured & Considered Doubtful	1.83	0.80
Less : Allowances for Credit Losses (refer note 38)	(1.83)	(0.80)
	4,809.82	3,955.52
Customers Bill Discounted	997.98	1,065.91
Other Trade Receivables	3,811.84	2,889.61
Total	4,809.82	3,955.52

11.1 Trade Receivables include ₹ 132.66 million (PY. : ₹ 556.89 million) to related parties. (refer note 42)

12. Cash and Bank Balances

(₹ in Million)

Particulars	As at 31st March 2022	As at 31st March 2021
Cash & Cash Equivalents		
Cash on Hand	1.43	4.22
Balance with Banks		
in Current Accounts	24.29	56.36
Total	25.72	60.58

13. Other Bank Balances

(₹ in Million)

Particulars	As at 31st March 2022	As at 31st March 2021
Margin Money Deposits with Bank*	54.55	40.36
Unclaimed Dividend Accounts	3.93	3.36
Total	58.48	43.72

* Held as lien by bank against bank guarantees and letters of credit.

14. Loans (Current) (Unsecured & Considered good)

(₹ in Million)

Particulars	As at 31st March 2022	As at 31st March 2021
Loans to Employees	47.50	25.55
Total	47.50	25.55

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

15. Other Financial Assets (Current)

(₹ in Million)

Particulars	As at 31st March 2022	As at 31st March 2021
Security Deposits	0.95	-
Other Receivables	6.48	7.21
Total	7.43	7.21

15.1 Other receivables include accrued interest on deposits and other claims receivable.

16. Other Current Assets

(₹ in Million)

Particulars	As at 31st March 2022	As at 31st March 2021
Export Incentives Receivables	87.02	3.73
Advance to Suppliers	127.91	251.37
Balance with Statutory Authorities	300.83	301.16
Pre-paid Expenses	35.63	23.64
Gratuity Planned Assets (Net)	3.77	20.32
Others	17.29	4.09
Total	572.45	604.31

16.1 Balance with statutory authorities includes balances with GST, Customs, Excise Dept. etc.

16.2 Others include Tour Advances, Discount Receivable, etc.

16.3 Advance to Suppliers include ₹ 0.66 million (P.Y. : ₹ 1.35 million) to related parties. (refer note 42)

17. Equity Share Capital

(₹ in Million)

Particulars	As at 31st March 2022	As at 31st March 2021
Authorised Share Capital		
21,00,00,000 (P.Y. : 21,00,00,000) Equity Shares of ₹2/- each	420.00	420.00
2,75,00,000 (P.Y. : 2,75,00,000) Preference Share of ₹ 10/- each	275.00	275.00
	695.00	695.00
Issued, Subscribed & Paid up Share Capital		
12,24,81,665 (P.Y. : 12,23,30,165) Equity Shares of ₹ 2/- each	244.96	244.66
Total	244.96	244.66

17.1 Reconciliation of the number of Shares

	As at 31st March 2022	As at 31st March 2021
	No. of Shares	No. of Shares
Equity Shares		
Opening balance	122,330,165	122,330,165
Issue of Shares under ESOP	151,500	-
Closing balance	122,481,665	122,330,165

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

17.2 Rights, preferences and restrictions attached to shares

Equity shares

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend.

Preference shares

The Company has only one class of non-convertible, non-cumulative redeemable preference shares having a par value of ₹ 10/- per share. Each shareholder shall have a right to attend general meeting of the Company and vote on resolutions directly affecting their interest. In the event of liquidation, the preference shareholders shall be entitled to a preferential right of return of the amount paid up on the shares, but shall not have any further right or claim over the surplus asset of the Company. The holder of these shares shall be entitled to receive dividend at fixed rate i.e. @ 9% on paid up value of shares subject to declaration of dividend by the Company but do not have right to participate in surplus profit.

17.3 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company.

Name of Shareholder	As at 31st March 2022		As at 31st March 2021	
	No. of Shares	% held	No. of Shares	% held
Equity Shares :				
Mr. Suresh J. Patel	3,71,12,857	30.30	3,71,12,857	30.34
Mr. Bhavin S. Patel	1,04,96,342	8.57	1,04,96,342	8.58
Mr. Ankit S. Patel	72,61,072	5.93	72,61,072	5.94
Samyaktva Construction LLP	67,50,000	5.51	52,75,000	4.31
Shakuntala J Patel	66,64,740	5.44	62,64,740	5.45

17.4 Promoters' Shareholding as on 31st March 2022

(₹ in Million)

Shares held by promoters at the end of the year			% Change during the Year
Promoter's Name	No. of Shares	% of Total Shares	
1. Suresh J. Patel	37,112,857	30.30	(0.13)
2. Bhavin S. Patel	10,496,342	8.57	(0.12)
3. Ankit S. Patel	7,261,072	5.93	(0.17)
4. Meenaben S. Patel	5,228,960	4.27	-
5. Ramesh P. Patel	385,299	0.31	-
6. Rakesh R. Patel	44,442	0.04	-
7. Bansibhai M. Patel	31,680	0.03	-
8. Ramesh Prabodhchandra Patel HUF	24,390	0.02	-
9. Shakuntala J. Patel	6,664,740	5.44	(0.18)
10. Ramesh D. Patel	4,945,880	4.04	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

17.5 Promoters' Shareholding as on 31st March 2021

(₹ in Million)

Shares held by promoters at the end of the year			% Change during the Year
Promoter's Name	No. of Shares	% of Total Shares	
1. Suresh J. Patel	37,112,857	30.34	-
2. Bhavin S. Patel	10,496,342	8.58	-
3. Ankit S. Patel	7,261,072	5.94	-
4. Meenaben S. Patel	5,228,960	4.27	-
5. Ramesh P. Patel	385,299	0.31	-
6. Rakesh R. Patel	44,442	0.04	-
7. Bansibhai M. Patel	31,680	0.03	-
8. Ramesh Prabodhchandra Patel HUF	24,390	0.02	-
9. Shakuntala J. Patel	6,664,740	5.45	15.22
10. Ramesh D. Patel	4,945,880	4.04	-

17.6 The Board of directors at its meeting held on 27th May 2022 has recommended a dividend of ₹ 0.80 (Eighty paise) per equity share for the financial year ended 31st March 2022. The proposal is subject to the approval of shareholders at the annual general meeting and has not been included as a liability in these financial statements.

18. Other Equity

(₹ in Million)

Particulars	As at 31st March 2022	As at 31st March 2021
Capital Reserves		
At the commencement of the year	568.56	76.12
Add : Addition due to forfeiture of Share Warrants	-	431.25
Add : Addition due to acquisition of SCC Unit - XII (refer note 52)	-	61.19
At the end of the year	568.56	568.56
Capital Redemption Reserve	289.67	289.67
Securities Premium		
At the commencement of the year	2,406.17	2,406.17
Add : Premium on shares issued under ESOP	11.27	-
At the end of the year	2,417.44	2,406.17
Employee Stock Options Outstanding Account (refer note 50)	11.32	21.98
General Reserve	138.86	138.86
Retained Earnings		
At the commencement of the year	6,256.59	5,771.31
Add : Profit during the year	1,358.23	483.15
Add : Remeasurements of Net Defined Benefit Plans (Net of tax)	4.34	2.13
	7,619.16	6,256.59
Less : Appropriations :		
Dividend on Equity Shares	97.98	-
At the end of the year	7,521.18	6,256.59
Total	10,947.03	9,681.83

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

18.1 Nature and purpose of Reserves

Capital Reserves

Capital reserve is created and utilised in accordance with the provisions of the Act.

Capital Redemption Reserve

Capital redemption reserve created during redemption of Preference Shares and is a non-distributable reserve.

Securities Premium

Securities Premium has been created consequent to issue of shares at premium. These reserves can be utilised in accordance with Section 52 of the Companies Act, 2013.

Employee Stock Options Outstanding Account

The fair value of the equity-settled share based payment transactions is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account.

General Reserve

General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes.

Retained Earnings

Retained earnings represents the amount of profits of the Company earned till date net of appropriation that can be distributed by the Company as dividends considering the requirements of the Companies Act, 2013.

19. Borrowings (Non-Current)

(₹ in Million)

Particulars	As at 31st March 2022	As at 31st March 2021
Secured		
Term loan from Banks	2,137.36	1,064.00
Total	2,137.36	1,064.00

Nature of security and terms of repayment for non-current secured borrowings:

The HDFC term loan amounting to ₹ 1,064 million (P. Y. 1,064 million) carries an interest rate of 6.70% (P. Y. 6.70%)

The EXIM term loan amounting to ₹ 946.04 million (P. Y. NIL) carries an interest rate of 6.75%

The term loan payable to Union bank amounting to ₹ 127.32 million (P.Y. NIL) carries an interest rate of 7.25%

These facilities are secured by first paripassu mortgage /hypothecation and charge on all the Company's movable and immovable properties created or acquired at

- i) Unit VII - Block No. 804, Village - Dudhwada, Ta. Padra, Dist. Vadodara, Gujarat
- ii) Unit VIII - Block No. 106,108, Village: Ekalbara, Ta. Padra, Dist. Vadodara, Gujarat
- iii) Unit X - Plot No. 525, Village: Dudhwada, Ta: Padra, Dist. Vadodara, Gujarat
- iv) Saykha - Plant / Unit at Saykha project
- v) Plant / Unit at SIEL Chemical complex

A second paripassu charge on all Company's current assets and receivables, including book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future

The loan is repayable in 23 quarterly instalments, the first instalment payable in June 2023 and the last instalment payable in December 2028.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

20. Provisions (Non-Current)

(₹ in Million)

Particulars	As at 31st March 2022	As at 31st March 2021
Provision For Gratuity	-	37.88
Total	-	37.88

21. Deferred Tax Liabilities (Net)

(₹ in Million)

Particulars	As at 31st March 2022	As at 31st March 2021
Deferred Tax Liabilities		
Property, Plant and Equipment	520.53	487.92
Expense claimed for tax purpose on payment basis	-	3.75
Fair Value of Quoted Equity Shares and Mutual Fund	0.17	-
Deferred Tax Assets		
Expense claimed for tax purpose on payment basis	(5.70)	-
Allowance for Doubtful Debts	(0.46)	(0.20)
Expenditure covered by section 35D of Income Tax Act, 1961	-	(3.26)
Fair Value of Quoted Equity Shares and Mutual Fund	-	(0.27)
Fair Value of Forward Contracts	(0.01)	(0.17)
Total	514.53	487.77

22. Borrowings (Current)

(₹ in Million)

Particulars	As at 31st March 2022	As at 31st March 2021
Secured		
Repayable on Demand		
Working Capital Loans from Banks	2,126.51	1,787.95
Unsecured		
Working Capital Loans from Banks	639.99	435.85
Commercial Papers (refer note 22.2)	500.00	-
Loans From Directors	0.24	1.74
	3,266.74	2,225.54
Borrowing Bill Discounted (Secured)	997.98	1,065.91
Total	4,264.72	3,291.45

22.1 Secured Loan : Working capital loans from banks are secured by hypothecation of inventories, book debts and bills drawn under letters of credit and confirmed contracts and collaterally secured by equitable mortgage of immovable property and hypothecation of Plant & Machinery of Unit-7, Unit-8 and Unit-10 of the Company.

Rate of interest is from 0.38% to 7.60% (P.Y. 0.66% to 8.75%)

22.2 Maximum amount outstanding towards Commercial Papers is ₹ 500.00 million (P.Y. : NIL)

22.3 There were no discrepancies between the quarterly returns/statements submitted to bank for current assets given as security and the books of account for the respective quarter.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

23. Trade Payables

(₹ in Million)

Particulars	As at 31st March 2022	As at 31st March 2021
(a) Total outstanding dues of Micro Enterprises and Small Enterprises	97.57	107.16
(b) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	2,153.85	1,944.99
Total	2,251.42	2,052.15

23.1 Trade Payables include ₹ 63.03 million (P.Y. : ₹ 96.14 million) to related parties (refer note 42)

24. Other Financial Liabilities (Current)

(₹ in Million)

Particulars	As at 31st March 2022	As at 31st March 2021
Unclaimed Dividends	3.93	3.36
Trade Deposits	19.87	25.20
Payable for Purchase of Property, Plant and Equipments	176.84	38.94
Payable towards purchase of equity stake in a subsidiary	316.48	-
Derivative Liabilities	0.06	0.68
Other Payables	15.23	7.76
Total	532.41	75.94

24.1 Other Payables include interest payable and payable to employees.

25. Other Current Liabilities

(₹ in Million)

Particulars	As at 31st March 2022	As at 31st March 2021
Advance Received from Customers	10.24	35.39
Advance Received against Sale of Property	106.40	6.00
Statutory Liabilities	119.64	60.04
Other Liabilities	0.03	0.07
Total	236.31	101.50

25.1 Advance Received against sale of property include ₹ 38.00 million (P.Y. : 6.00 million) to related parties (refer note 42)

25.2 Statutory liabilities represent amounts payable towards GST, TDS etc.

26. Provisions (Current)

(₹ in Million)

Particulars	As at 31st March 2022	As at 31st March 2021
Provision for Gratuity (Refer Note 44 & 52)	-	13.08
Provision for Leave Encashment	8.77	11.32
Total	8.77	24.40

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

27. Income Tax Liabilities (Net)

(₹ in Million)

Particulars	As at 31st March 2022	As at 31st March 2021
Income Tax Liabilities (Net)	61.81	15.00
Total	61.81	15.00

28. Revenue From Operations

(₹ in Million)

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2022
Sale of Products	18,504.18	11,244.08
Other Operating Income		
Export Incentives	192.47	45.08
Scrap Sales	28.54	8.15
Other Operating Income	10.50	-
Total	231.51	53.23
Total Revenue From Operations	18,735.69	11,297.31

29. Other Income

(₹ in Million)

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2022
Interest Income		
On Deposits	2.85	3.16
On Others*	123.92	99.64
Profit on Sale of Investments measured through profit and loss (Net)	40.10	0.02
Fair Value Gain on Investments measured through profit or loss	0.42	32.44
Reversal of Allowance for Doubtful Debts	-	0.98
Profit on Sale of Property, Plant & Equipment (Net)	7.07	-
Dividend Income	1.68	1.48
Exchange Rate Difference (Net)	-	37.84
Liabilities no Longer Required Written Back	0.03	-
Other Income	2.87	4.47
Total	178.94	180.03

* Other interest income includes interest income received from Subsidiaries, Inter Corporate Loan, Electricity Companies, etc.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

30. Cost of Materials Consumed

(₹ in Million)

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2022
Opening Stock - Raw Materials	733.23	459.69
Add : Addition due to Acquisition of SCC (refer note 52)	-	27.45
Add: Purchases during the year	11,775.26	7,931.48
	12,508.49	8,418.62
Less : Closing Stock - Raw Materials	1,356.40	733.23
Total	11,152.09	7,685.39

31. Purchase of Stock In Trade

(₹ in Million)

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2022
Purchase of Stock in Trade	2.08	2.90
Total	2.08	2.90

32. Changes In Inventories Of Finished Goods, Stock In Process & Stock In Trade

(₹ in Million)

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2022
Inventories at the end of the year		
Finished Goods	724.19	668.10
Stock In Process	1,831.61	992.01
Stock - in Trade	2.68	2.66
Total (A)	2,558.48	1,662.77
Inventories at the beginning of the year		
Finished Goods	668.10	474.78
Stock In Process	992.01	870.17
Stock - in Trade	2.66	2.30
Total (B)	1,662.77	1,347.25
Addition due to Acquisition of SCC (refer note 52)		
Finished Goods	-	7.44
Stock In Process	-	14.57
Total (D)	-	22.01
Changes In Inventories Of Finished Goods, Stock In Process & Stock in Trade (B)+(C)+(D)-(A)	(895.71)	(293.51)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

33. Employee Benefit Expenses

(₹ in Million)

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
Salaries, Wages & Bonus	904.86	622.15
Contribution to Provident & Other Funds (refer note 44)	48.37	33.95
Employee Share Based Payments (refer note 50)	(0.59)	10.91
Staff Welfare Expenses	64.70	39.33
Total	1,017.34	706.34

34. Finance Costs

(₹ in Million)

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
Bank Interest	189.97	69.31
Other Interest Expenses	1.46	1.29
Other Borrowing Costs	18.52	21.61
Total	209.95	92.21

35. Depreciation And Amortisation Expense

(₹ in Million)

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
Depreciation on Tangible Assets (refer note 2)	433.39	277.15
Amortisation of Right of Use of Assets (refer note 3)	-	0.26
Amortisation on Intangible Assets (refer note 4)	1.87	2.49
Total	435.26	279.90

35.1. BAD DEBTS WRITTEN OFF

Bad Debts written off during the year ended 31st March 2021, being one-off item in the history of the Company has been shown separately in the Statement of Profit and Loss of previous year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

36. Other Expenses

(₹ in Million)

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2022
Stores Consumption	480.20	55.98
Power & Fuel Consumption	2,275.84	609.28
Repairs to		
Machinery	329.93	217.38
Building	33.15	58.69
Others	1.30	1.61
Pollution Control Expenses	220.07	234.91
Rent & Taxes	22.24	10.28
Labour Charges	364.51	277.80
Insurance Expenses	37.05	26.82
Corporate Social Responsibility Expenses (refer note 48)	26.16	35.72
Directors' Sitting fees	0.94	0.72
Travelling & Vehicle Expense	38.25	19.51
Payment to Auditors (refer note 36.1)	2.85	2.27
Legal & Professional Fees	96.94	80.19
Loss on Sale of Property, Plant & Equipment	-	1.51
Provision for diminution in investments	-	0.00
Exchange Rate Difference (Net)	13.16	-
Packing Material Consumption	271.29	143.48
Freight & Handling Charges	607.64	207.53
Advertisement & Business Promotion Expenses	12.66	10.77
Sales Commission	196.97	70.21
Bad Debts written off	-	1.32
Allowance for Doubtful Debts	1.03	-
Other Expenses	162.51	128.27
Total	5,194.69	2,194.25

36.1 Payment to Auditors include (excluding GST) as below:

(₹ in Million)

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2022
I) As Statutory Auditors	2.80	2.20
II) Certification Matters	0.05	0.07

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

37. Financial Instruments Classification by Category

(₹ in Million)

Particulars	As at 31st March 2022	As at 31st March 2021
Financial Assets		
Financial Assets measured at fair value through profit and loss		
Investments	1.45	63.04
Financial Assets measured at amortised cost		
Investments	702.41	378.60
Loans	1,353.50	1,289.39
Trade Receivables	4,809.82	3,955.52
Cash and Cash Equivalents	25.72	60.58
Other Bank Balances	58.48	43.72
Other Financial Assets	498.58	217.48
Total Financial Assets	7,449.96	6,008.33

(₹ in Million)

Particulars	As at 31st March 2022	As at 31st March 2021
Financial Liabilities		
Financial Liabilities measured at fair value through profit and loss		
Derivative Liabilities	0.06	0.68
Financial Liabilities measured at amortised cost		
Borrowings	6,402.08	4,355.45
Trade Payables	2,251.42	2,052.15
Other Financial Liabilities	532.35	75.26
Total Financial Liabilities	9,185.91	6,483.54

Fair Value Hierarchy

(₹ in Million)

Financial Assets measured at fair value 31st March 2022	Level 1	Level 2	Level 3	Total
Financial Assets				
Measured at fair value through profit or loss				
Investments in quoted equity shares	1.45			1.45
Financial Liabilities				
Derivative Liabilities		0.06		0.06

(₹ in Million)

Financial Assets measured at fair value 31st March 2021	Level 1	Level 2	Level 3	Total
Financial Assets				
Measured at fair value through profit or loss				
Investments in quoted equity shares	63.04			63.04
Financial Liabilities				
Derivative Liabilities		0.68		0.68

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, loans, other financial assets, borrowings, trade payables and other financial liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

- ✓ the use of quoted market prices or dealer quotes for similar instruments
- ✓ the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- ✓ The fair value of investments in Mutual Fund Units is based on Net Asset Value ("NAV") as stated by the issuers of these mutual fund units in the published statements as at the Balance Sheet Date. NAV represents the price at which the issuer will issue further units of Mutual Fund and the price at which issuers will redeem such units from investors.

38. Financial Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the Company is exposed to and how the Company manages the risk and the impact of hedge accounting in the financial statements

Risk

Credit Risk

Liquidity Risk

Market Risk

- Foreign Exchange Risk
- Interest Rates
- Security Price

(A) Credit Risk Management

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, other balances with banks, loans and other receivables.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Credit risk arising from investment in mutual funds, derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies.

The Company is making provision on trade receivables based on Expected Credit Loss Model (ECL) as below:

(₹ in Million)

No. of Days for which amount is due	<=60 Days	61-120 Days	121-180 Days	181-360 Days	>360 Days
% of Provision	0%	0.25%	0.50%	0.75%	1%

Reconciliation of loss allowance provision

(₹ in Million)

Reconciliation of Loss Allowance	FY 2021-22	FY 2020-21
Opening Balance	0.80	1.79
Recognition of loss allowance measured as per ECL	1.03	173.58
Write off Bad Debts	-	(174.57)
Closing Balance (As reported in Note 11)	1.83	0.80

(B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability at all times.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial instruments as on 31st March 2022

(₹ in Million)

	Within 12 months	After 12 months
Financial Assets		
Investments	-	703.86
Trade Receivables	4,809.82	-
Other Bank Balances	58.48	-
Loans	47.50	1,306.00
Other Financial Assets	7.43	491.15
Financial Liabilities		
Borrowings	4,264.72	2,137.36
Trade Payables	2,251.42	-
Other Financial Liabilities	532.41	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Maturities of financial instruments as on 31st March 2021

(₹ in Million)

	Within 12 months	After 12 months
Financial Assets		
Investments	-	441.64
Trade Receivables	3,955.52	-
Other Bank Balances	43.72	-
Loans	25.55	1,263.84
Other Financial Assets	7.21	210.27
Financial Liabilities		
Borrowings	3,291.45	1,064.00
Trade Payables	2,052.15	-
Other Financial Liabilities	75.94	-

(C) Market Risk Management

i) Foreign Currency Risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and EURO. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (₹). The risk is measured through a forecast of highly probable foreign currency cash flows.

(A) Foreign currency risk exposure

(₹ in Million)

Particulars	31st March 2022			31st March 2021		
	USD	EUR	GBP	USD	EUR	GBP
Financial Assets						
Trade Receivables	15.67	0.00		17.34	-	-
Loan				1.10	-	-
Financial Liabilities						
Trade Payables	4.89	0.00	0.11	4.73	0.00	-
Borrowings	20.04			27.92	-	-
Net Exposure	(9.26)	0.00	(0.11)	(14.22)	(0.00)	-

(B) Foreign currency forward contract outstanding as at the Balance Sheet date.

(₹ in Million)

	Buy/Sell	31st March 2022	31st March 2021
Forward contract USD (in million)	Sell	1.32	3.88

The forward contracts have been entered into to hedge the foreign currency risk on trade receivables and borrowings.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

(C) Sensitivity (+/-5%)

(₹ in Million)

Currency	31st March 2022			31st March 2021		
	Movement in Rate	Impact on PAT	Impact on Other Equity	Movement in Rate	Impact on PAT	Impact on Other Equity
USD	5.00%	(26.26)	(26.26)	5.00%	(39.11)	(39.11)
USD	-5.00%	26.26	26.26	-5.00%	39.11	39.11
EUR	5.00%	0.01	0.01	5.00%	(0.00)	(0.00)
EUR	-5.00%	(0.01)	(0.01)	-5.00%	0.00	0.00
GBP	5.00%	(0.40)	(0.40)	-	-	-
GBP	-5.00%	0.40	0.40	-	-	-

ii) Cash flow and fair value interest rate risk

The Company's interest rate risk arises mainly from borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31st March 2022 and 31st March 2021, the Company's borrowings at variable rate were mainly denominated in ₹ & USD.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

(₹ in Million)

Particulars	31st March 2022	31st March 2021
Variable Rate borrowings	5,901.84	4,353.71
Fixed Rate Borrowings	500.00	-

At the end of reporting period the Company had the following variable rate borrowings.

Particulars	31st March 2022			31st March 2021		
	Average Interest Rate	Balance	% of Total Loan	Average Interest Rate	Balance	% of Total Loan
Cash Credit Facility	7.56%	13.28	0.22%	7.77%	15.30	0.35%
Working Capital Loan Facility	4.92%	2,232.83	37.83%	6.98%	1,233.01	28.32%
Packing Credit Facility	1.05%	376.77	6.38%	1.37%	789.64	18.14%
Buyers Credit Facility	0.63%	143.62	2.43%	0.99%	185.85	4.27%
Bills Discounting Facility	1.09%	997.98	16.91%	1.37%	1,065.91	24.48%
Term Loan	6.75%	2,137.36	36.22%	6.70%	1,064.00	24.44%
Net Exposure		5,901.84	100.00%		4,353.71	100.00%

At the end of reporting period the Company had the following fixed rate borrowings.

Particulars	31st March 2022			31st March 2021		
	Average Interest Rate	Balance	% of Total Loan	Average Interest Rate	Balance	% of Total Loan
Commercial Paper	4.61%	500.00	100.00%	-	-	-
Net Exposure		500.00	100.00%		-	0.00%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Sensitivity (+/- 1%)

(₹ in Million)

Particulars	Movement in Rate	As at 31st March 2022	As at 31st March 2021
Interest Rates	1.00%	44.16	32.58
Interest Rates	-1.00%	(44.16)	(32.58)

iii) Security Price Risk

The Company's exposure to securities price risk arises from investments held by the Company and classified in the balance sheet at fair value through profit or loss.

To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

Sensitivity (+/- 5%)

(₹ in Million)

Particulars	Investment in Quoted Securities			
	31st March 2022		31st March 2021	
Increase/(decrease)	5%	-5%	5%	-5%
Impact on PAT	0.05	(0.05)	2.36	(2.36)

39. Capital Management

The Company's objectives when managing capital are to

- ✓ safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- ✓ Maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet).

(₹ in Million)

Particulars	31st March 2022	31st March 2021
Net Debt (₹ in million)	6,376.36	4,294.87
Total Equity (₹ in million)	11,191.99	9,926.49
Debt-Equity Ratio	0.57	0.43

40. Income Taxes

(₹ in Million)

Particulars	31st March 2022	31st March 2021
Current Tax	419.34	110.87
Taxes of earlier years	(3.94)	(154.80)
Deferred Tax	25.30	197.39
Total Tax Expenses (excluding deferred tax benefit on OCI)	440.70	153.46

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Reconciliation of tax expenses and the accounting profit multiplied by Tax Rate

(₹ in Million)

Particulars	31st March 2022	31st March 2021
Profit Before Tax	1,798.93	636.61
Statutory Tax Rate (%)	25.168%	25.168%
Tax at Statutory rate	452.75	160.22
Effect of income that is exempt from tax	-	(0.37)
Effect of expenses that are not deductible in determining taxable profit	(0.77)	17.03
Effect of tax on special rate income	(5.88)	(4.39)
Reversal of DTA on amalgamation	-	146.23
Deferred Tax on other comprehensive income	(1.46)	(0.72)
Others	-	(9.74)
	444.64	308.26
Adjustments recognised in the current year in relation to the current tax of prior years	(3.94)	(154.80)
Income tax expense recognised in profit or loss	440.70	153.46
Effective Tax Rate	24.50%	24.11%

Consequent to approval of Scheme of Amalgamation, the carried forward losses of Trion Chemicals Pvt. Ltd. ("Trion"), had been considered by the Company in the previous year. Accordingly, there was a reversal of current tax provision of the Company, for earlier year of ₹ 144.57 million and deferred tax asset of ₹ 146.23 million of Trion. The effect of these reversals had been given during the year ended 31st March 2021.

40.1 Movement in deferred tax assets and liabilities

(₹ in Million)

Particulars	As at 1st April 2021	Credit / (charge) in the Statement of Profit and Loss	Credit / (charge) in Other Comprehensive Income	As at 31st March 2022
Deferred Tax Assets/(Liabilities)				
Property, Plant and Equipment	(487.92)	(32.61)	-	(520.53)
Fair Value of Forward Contracts	0.17	(0.16)	-	0.01
Expense claimed for tax purpose on payment basis	(3.75)	10.91	(1.46)	5.70
Expenditure covered by section 35D of Income Tax Act, 1961	3.26	(3.26)	-	-
Fair Value of Quoted Equity Shares	0.27	(0.44)	-	(0.17)
Allowance for Doubtful Debts	0.20	0.26	-	0.46
Total	(487.77)	(25.30)	(1.46)	(514.53)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

41. Segment Information

The Company's primary segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system and secondary segment is identified based on the geographical location of the customers as per IND AS 108 – 'Operating Segments'. The Company is principally engaged in a single business segment viz., "Dyes, Dyes Intermediates and Basic Chemicals".

The geographical segment has been considered for disclosure as secondary segment.

Two secondary segments have been identified based on the geographical locations of customers i.e. domestic and export. Information about geographical segments are as below.

1. Information about Geographical Areas

Particulars	FY 2021-22			FY 2020-21		
	Domestic Operations	External Operations	Total	Domestic Operations	External Operations	Total
Segment Revenue	12,755.94	5,979.75	18,735.69	7,540.81	3,756.50	11,297.31
Carrying Cost of Segment Assets	19,747.30	1,452.02	21,199.32	15,699.88	1,376.70	17,076.58

2. Information about Major Customers

No customers individually accounted for 10% or more revenue during financial year ending on 31st March 2022 and 31st March 2021

Particulars	FY 2021-22	FY 2020-21
Revenue from Top Customer	6%	9%
Revenue from Top 5 Customers	18%	27%

42. Related Party Transactions:

(a) List of Related Parties

I. Key Management Personnel (KMP)

1	Mr. Suresh J Patel	Chairman & Managing Director
2	Mr. Bhavin S. Patel	Executive Director
3	Mr. Ankit S. Patel	Executive Director
4	Mr. Mayur B. Padhya	Chief Financial Officer
5	Mr. Ashutosh B. Bhatt	Company Secretary
6	Mr. Nalin Kumar	Independent Director
7	Ms. Neha Huddar	Independent Director
8	Mr. Sunil K. Mehta	Independent Director
9	Mr. Ramprasad Shrivastva	Independent Director (Upto 24th January 2021)
10	Mr. Mayank K. Mehta	Independent Director (w.e.f. 9th February 2021)
11	Mr. Rajarshi Ghosh	Director (w.e.f. 27th May 2020)

II. Enterprise under significant influence of key management personnel (Enterprise)

1	Shanti Inorgo Chem (Guj.) Pvt. Ltd.
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NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

III. Subsidiary Company (SC)

- 1 SPS Processors Pvt. Ltd.
- 2 Bodal Chemicals Trading Pvt. Ltd.
- 3 Bodal Chemicals Trading (Shijiazhuang) Co., Ltd.
- 4 Bodal Bangla Ltd.
- 5 Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd.
- 6 Senpa Dis Ticaret Anonim Sirketi (step down subsidiary)
- 7 PT Bodal Chemicals Indonesia (w.e.f. 18th May 2021)

IV. Associate Concern (AC)

- 1 Plutoeco Enviro Association (w.e.f. 27th October 2020)

a) Transactions with related parties

(₹ in Million)

Related party disclosure	Relationship	FY 2021-22	FY 2020-21
Remuneration			
Mr. Suresh J. Patel	KMP	16.20	16.20
Mr. Bhavin S. Patel	KMP	10.80	10.80
Mr. Ankit S. Patel	KMP	10.80	10.80
Mr. Rajarshi Ghosh	KMP	2.31	2.01
Mr. Mayur B. Padhya	KMP	5.91	5.12
Mr. Ashutosh B. Bhatt	KMP	1.36	1.09
Employees Stock Option			
Mr. Mayur B. Padhya	KMP	0.85	-
Mr. Ashutosh B. Bhatt	KMP	0.15	-
Director Commission			
Mr. Suresh J. Patel	KMP	57.10	21.00
Mr. Bhavin S. Patel	KMP	38.20	13.50
Mr. Ankit S. Patel	KMP	38.20	13.50
Directors' Sitting Fees			
Mr. Nalin Kumar	KMP	0.27	0.20
Ms. Neha Huddar	KMP	0.24	0.19
Mr. Sunil K. Mehta	KMP	0.27	0.20
Mr. Ramprasad Shrivastava	KMP	-	0.10
Mr. Mayank Mehta	KMP	0.16	0.03
Loan Given			
SPS Processors Pvt. Ltd.	SC	1,346.24	971.75
Bodal Chemicals Trading Pvt. Ltd.	SC	-	9.64
Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd.	SC	247.18	-
Capital Advance Given			
Plutoeco Enviro Association	AC	8.96	1.58
Loan Received Back			
SPS Processors Pvt. Ltd.	SC	1,218.82	781.76
Bodal Chemicals Trading Pvt. Ltd.	SC	0.88	42.14
Conversion of Loan into Advance for Investment			
Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd.	SC	327.69	-
Loan Received			
Mr. Suresh J. Patel	KMP	-	20.90

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

(₹ in Million)

Related party disclosure	Relationship	FY 2021-22	FY 2020-21
Mr. Bhavin S. Patel	KMP	0.60	0.60
Mr. Ankit S. Patel	KMP	-	0.60
Loan Repaid			
Mr. Suresh J. Patel	KMP	1.50	19.45
Mr. Bhavin S. Patel	KMP	0.60	0.64
Mr. Ankit S. Patel	KMP	0.01	0.61
Advance Received against sale of Property			
Plutoeco Enviro Association	AC	32.00	6.00
Purchases of Materials			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	7.57	2.98
Bodal Chemicals Trading Pvt. Ltd.	SC	66.53	132.57
Purchases of Other Materials (Spares)			
SPS Processors Pvt. Ltd.	SC	0.21	-
Purchases of Property, Plant & Equipment			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	-	52.54
Dividend Paid			
Mr. Suresh J. Patel	KMP	29.69	-
Mr. Bhavin S. Patel	KMP	8.40	-
Mr. Ankit S. Patel	KMP	5.81	-
Mr. Mayur B. Padhya	KMP	0.15	-
Mr. Ashutosh B. Bhatt	KMP	-	-
Ms. Neha Huddar	KMP	-	-
Mr. Sunil K. Mehta	KMP	0.16	-
Reimbursement of Finance Charges			
Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd.	SC	0.70	-
Interest Income			
Bodal Chemicals Trading Pvt. Ltd.	SC	-	0.93
SPS Processors Pvt. Ltd.	SC	99.75	86.34
Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd.	SC	8.70	4.59
Rent Income			
SPS Processors Pvt. Ltd.	SC	0.63	-
Bodal Chemicals Trading Pvt. Ltd.	SC	0.44	-
Sales of Materials			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	9.02	12.90
SPS Processors Pvt. Ltd.	SC	270.50	21.81
Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd.	SC	547.26	667.82
Bodal Chemicals Trading (Shijiazhuang) Co., Ltd.	SC	215.81	227.74
Sales of Other Materials (Machinery & Spares)			
SPS Processors Pvt. Ltd.	SC	5.34	-
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	1.80	-
Investment in Equity Shares			
Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd.	SC	316.48	-
Bodal Chemicals Trading (Shijiazhuang) Co., Ltd.	SC	7.43	-
Bodal Bangla Ltd.	SC	-	3.75
Plutoeco Enviro Association	AC	-	0.03
Related Party Balances as at the year end.			
Amount Payable			

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

(₹ in Million)

Related party disclosure	Relationship	FY 2021-22	FY 2020-21
As Unsecured Loan			
Mr. Suresh J. Patel	KMP	0.13	1.63
Mr. Bhavin S. Patel	KMP	0.03	0.02
Mr. Ankit S. Patel	KMP	0.08	0.09
As Advances Received for sale of property			
Plutoeco Enviro Association	AC	38.00	6.00
As Trade Payables			
Bodal Chemicals Trading Pvt. Ltd.	SC	-	66.72
Mr. Suresh J. Patel	KMP	24.61	12.52
Mr. Bhavin S. Patel	KMP	18.28	8.05
Mr. Ankit S. Patel	KMP	19.87	8.36
Mr. Rajarshi Ghosh	KMP	0.13	0.11
Mr. Mayur B. Padhya	KMP	0.06	0.30
Mr. Ashutosh B. Bhatt	KMP	0.08	0.08
As Investment			
As Equity shares			
SPS Processors Pvt. Ltd.	SC	40.91	40.91
Bodal Chemicals Trading Pvt. Ltd.	SC	0.10	0.10
Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd.	SC	634.42	317.94
Bodal Chemicals Trading (Shijiazhuang) Co., Ltd.	SC	20.57	13.14
Bodal Bangla Ltd.	SC	5.14	5.14
Plutoeco Enviro Association	AC	0.03	0.03
Amounts Receivable			
As Trade Receivables			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	2.13	3.21
Bodal Chemicals Trading Pvt. Ltd.	SC	0.02	-
SPS Processors Pvt. Ltd.	SC	92.48	-
Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd.	SC	0.70	405.21
Bodal Chemicals Trading (Shijiazhuang) Co., Ltd.	SC	37.34	148.47
As Advance to Suppliers			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	0.66	1.35
As Capital Advance			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	3.88	3.88
Plutoeco Enviro Association	AC	10.55	1.58
Advance for investment in equity shares of a subsidiary			
Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd.	SC	327.69	-
As Loan to Subsidiary			
SPS Processors Pvt. Ltd.	SC	1,288.79	1,161.37
Bodal Chemicals Trading Pvt. Ltd.	SC	-	0.88
Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd.	SC	-	80.51
Guarantee given as collateral to bank			
Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd.	SC	200.85	-

Notes :-

- (i) No amounts pertaining to related parties have been provided for as doubtful debts. Also no amounts have been written off or written back during the year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

43. Earnings per Share

Particulars	FY 2021-22	FY 2020-21
Net Profit after Tax as per Statement of Profit and Loss (₹ in million)	1,358.23	483.15
Weighted average number of Equity Shares	122,446,799	122,330,165
Basic EPS (₹)	11.09	3.95
Diluted EPS (₹)	11.08	3.94
Nominal Value per Share (₹)	2	2
43.1 Details used in calculation of Diluted EPS		
Net Profit after Tax as per Statement of Profit and Loss (₹ in million)	1,358.23	483.15
Nominal Value per Share (₹)	2	2
Weighted average number of Equity Shares used for Basic EPS	122,446,799	122,330,165
Share deemed to be issued in respect of employee options	63,852	219,334
Weighted average number of Equity Shares used for diluted EPS	122,510,651	122,549,499

Notes :-

For the year ended 31st March 2021, number of options (Equity Share Warrants* & Employee Stock Options@) to purchase equity shares had an anti-dilutive effect.

* Refer note 55

@ Refer note 50

44. Employee Benefits

Defined Contribution Plan	FY 2021-22	FY 2020-21
Employer's contribution to Provident Fund	38.11	26.14

Defined Benefits Plan

Gratuity: The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India in the form of qualifying insurance policy.

The following table sets out the funded status of the gratuity plan and the amounts recognised in the Company's financial statements based on actuarial valuations being carried out as at 31st March 2022.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Balance sheet disclosures

(a) The amounts disclosed in the Balance Sheet and the movements in the defined benefit obligation over the year:

Particulars	FY 2021-22	FY 2020-21
Liability at the beginning of the year	64.51	57.99
Interest Costs	5.82	3.80
Current Service Costs	10.81	8.35
Liabilities assumed in acquisition of SCC	50.96	-
Benefits paid	(3.78)	(1.97)
Benefits paid by the Company	(14.32)	-
Actuarial (Gain)/Loss on obligations due to change in		
- Demography	-	-
- Financials	(3.87)	0.59
- Experience	(2.52)	(4.25)
Liability at the end of the year	107.61	64.51

(b) Movements in the fair value of plan assets

Particulars	FY 2021-22	FY 2020-21
Fair value of plan assets at the beginning of the year	93.69	61.87
Interest Income	6.38	4.34
Expected return on plan assets	(0.59)	(0.81)
Contributions	15.68	30.26
Benefits paid	(3.78)	(1.97)
Fair value of plan assets at the end of the year	111.38	93.69

The entire funds on the plan assets are managed by insurer i.e. Life Insurance Corporation of India.

(c) Net liability disclosed above relates to

Particulars	FY 2021-22	FY 2020-21
Fair value of plan assets at the end of the year	111.38	93.69
Liability as at the end of the year	107.61	64.51
Net (Liability)/Asset	3.77	29.18
Non-Current Portion	-	8.86
Current Portion	3.77	20.32

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

(d) Balance Sheet Reconciliation

Particulars	FY 2021-22	FY 2020-21
Opening Net liability / (Asset)	(29.18)	(3.89)
Liabilities assumed in acquisition of SCC	50.96	-
-Expenses recognised in the statement of P&L	10.25	7.81
-Expenses recognised in the OCI	(5.80)	(2.84)
-Benefits paid by the Company	(14.32)	
-Employer's Contribution	(15.68)	(30.26)
Amount recognised in the Balance Sheet	(3.77)	(29.18)

Profit & Loss Disclosures

(a) Net interest Cost for Current period

Particulars	FY 2021-22	FY 2020-21
Interest Cost	5.82	3.80
Interest Income	6.38	4.34
Net interest Cost/(Income)	(0.56)	(0.54)

(b) Expenses recognised in the profit & loss

Particulars	FY 2021-22	FY 2020-21
Net Interest Cost	(0.56)	(0.54)
Current Service Costs	10.81	8.35
Expenses recognised in the profit & loss	10.25	7.81

(c) Expenses recognised in the Other Comprehensive Income

Particulars	FY 2021-22	FY 2020-21
Remeasurement		
Expected return on plan assets	0.59	0.81
Actuarial (Gain) or Loss	(6.39)	(3.66)
Net (Income) / Expenses recognised in OCI	(5.80)	(2.85)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Sensitivity Analysis

Particulars	FY 2021-22	FY 2020-21
Projected Benefit obligation on current assumptions		
Data effect of change in Rate of		
-Discounting by +0.5%	103.09	61.66
-Salary Increase by +0.5%	112.34	67.45
-Employee Turnover by +20%	108.77	65.25
Data effect of change in Rate of		
-Discounting by -0.5%	112.49	67.61
-Salary Increase by -0.5%	103.12	61.75
-Employee Turnover by -20%	106.38	63.73

Significant Actuarial Assumptions

Particulars	FY 2021-22	FY 2020-21
Discount Rate	7.15%	6.75%
Salary Escalation	4.00%	4.00%
Attrition Rate	2%-10%	2%-10%
Mortality Tables used	IALM 2012-14	IALM 2012-14

The estimates of future salary increases, considered in actuarial valuation have taken into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The rate used to discount defined benefit obligation (both funded and unfunded) is determined by reference to market yield at the Balance Sheet date on high quality corporate bonds. In countries where there is no deep market in such bonds the market yields (at the Balance Sheet Date) on government bonds shall be used. The currency and term of the corporate bonds or government bonds shall be consistent with currency and estimated term of the post employment benefit obligations.

The estimated term of the Obligation is around 10.66 years (P.Y. 11.27 years). The yields on the government bonds as at the valuation date were 7.15% (P.Y. 6.85%). The expected contribution in the next year is ₹ 11.88 million.

45. Contingent Liabilities and Commitments

(a) Contingent Liabilities

(₹ in Million)

Particulars	As at 31st March 2022	As at 31st March 2021
1) Disputed matters in appeals/contested in respect of:		
i. Income Tax	84.76	69.94
ii. Excise	25.53	25.23

Future cash outflows in respect of the above are determinable only on receipt of Judgments /decisions pending with various forums/authorities. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the additional demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

(₹ in Million)

Particulars	As at 31st March 2022	As at 31st March 2021
2) Letter of Credit issued by bankers and outstanding	871.65	214.92
3) Guarantee given by the Company (Refer Note 42)	200.85	

(b) Commitments

(₹ in Million)

Particulars	As at 31st March 2022	As at 31st March 2021
i. Estimated amount of Contracts remaining to be executed on capital account and not provided for, net of advances.	2,393.05	208.25

46. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

(₹ in Million)

Particulars	As at 31st March 2022	As at 31st March 2021
a. Principal and interest amount remaining unpaid	97.57	107.16
b. Interest due thereon remaining unpaid	-	-
c. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
e. Interest accrued and remaining unpaid	-	-
f. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

47. Disclosure under Ind AS 116 'Leases'

(₹ in Million)

Particulars	FY 2021-22	FY 2020-21
Opening Balance	-	0.25
Lease Liabilities on account of adoption of Ind AS 116	-	-
Finance Costs incurred during the year	-	0.02
Net Payments of Lease Liabilities	-	(0.27)
Closing Balance	-	-

48. Corporate Social Responsibility Expenses

Financial Year	Amount required to be spent by the Company during the year	Amount of expenditure incurred	Shortfall at the end of the year	Total of previous years shortfall	Reason for shortfall
Year ended 31st March 2022	25.90	26.16	-	-	Not Applicable
Year ended 31st March 2021	35.57	35.72	-	-	Not Applicable

48.1 Nature of CSR activities includes Rural Development, Promotion of Healthcare and Education, Providing Drinking Water.

49. The COVID pandemic was unprecedented and had affected the operations as well as results of the Company in the previous year. The manufacturing facility of the Company which was shut down in the last week of March 2020 due to countrywide lockdown, resumed operations in a phased manner from the 11th May 2020. Hence, figures of the year ended 31st March 2021 are not strictly comparable with the year ended 31st March 2022.

50. Share Based Payments

- a) The Company initiated the "ESOP 2017" for all eligible employees in pursuance of the special resolution approved by the Shareholders in the Annual General Meeting held on 23rd September 2017. The Scheme covers eligible employees (except promoters or those belonging to the promoters' group, independent directors and directors who either by himself or through his relatives or through any body-corporate, directly or indirectly holds more than 10% of the outstanding Shares of the Company). Under the Scheme, the Nomination and Remuneration Committee of directors of the Company, administers the Scheme and grants stock options to eligible directors or employees of the Company. The Committee determines the employees eligible for receiving the options and the number of options to be granted subject to overall limit of 1,000,000 options.

Option	Number of shares granted	Grant Date	Expiry Date	Exercise Price (₹)	Fair Value of the option (₹)
ESOP 2017 - II	162,900	21-05-2019	20-05-2021	50	68.09
ESOP 2017 - III	163,900	12-02-2020	12-02-2022	10	66.40
ESOP 2017 - IV	183,500	14-08-2021	14-08-2023	10	98.20

- b) Compensation Expenses arising on account of the Share Based Payments

(₹ in Million)

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
Employee Share Based Payments (refer note 33)	(0.59)	10.91

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

The relevant details of the Scheme are as under:

Particulars	Grant II	Grant III	Grant IV
Date of Grant	21-05-2019	12-02-2020	14-08-2021
Date of Board/NRC Approval	21-05-2019	12-02-2020	14-08-2021
Date of Shareholders' Approval	23-09-2017	23-09-2017	23-09-2017
No. of Options Granted	162,900	163,900	183,500
Method of Settlement	Equity	Equity	Equity
Vesting Period	1 Year	1 Year	1 Year
Fair Value on the date of Grant	68.09	66.40	98.20
Exercise Period	1 Year	1 Year	1 Year
Vesting Conditions	As per Policy approved by Shareholders	As per Policy approved by Shareholders	As per Policy approved by Shareholders

Set out below is a summary of options granted under the plan:

Particulars	Grant II	Grant III	Grant IV
Options Outstanding at the beginning of the year	162,900	163,900	163,900
Options granted during the year	-	-	-
Options exercised during the year	-	151,500	-
Options lapsed during the year	162,900	12,400	-
Options Outstanding at the end of the year	-	-	163,900

Particulars	Grant II	Grant III	Grant IV
Date of Grant	21-05-2019	12-02-2020	14-08-2021
Stock Price at the date of grant	115.40	76.45	107.55
Exercise Price	50	10	10
Expected Volatility	42.83%	46.11%	48.40%
Expected Life of the Option	1 Year	1 Year	1 Year
Risk Free Interest Rate	7.30%	7.74%	6.79%
Weighted average fair value of options granted during the year	68.09	66.40	98.20

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

51. A Scheme of Amalgamation of S P S Processors Pvt. Ltd. (subsidiary) with the Company (the "Scheme") has been approved by the Board of Directors of the Company at their meeting held on 29th October 2021, with effect from appointed date of 1st April 2021. In-principle approval and No-Objection certificate has been received from the BSE, NSE. After receipt of No-Objection certificate and in-principle approval from Stock Exchanges the Scheme has been filled with National Company Law Tribunal and awaiting for order for direction of Meetings of Creditors and Shareholders.

52. During the previous year, the Company w.e.f. 31st March 2021, had acquired the Chemical Unit known as 'Siel Chemical Complex (SCC)' of Mawana Sugars Ltd., located at Rajpura, Punjab, on a going concern basis. The Company had accounted for the said acquisition in its books as a business acquisition in terms of Ind AS 103 - 'Business Combinations'. Such Business Combination required that the assets and liabilities of SCC be accounted at fair value in the Financial Statements at acquisition date. The acquisition date for the business combination was 31st March 2021 and accordingly, it had been accounted on the provisional fair values bases. During the financial year, the Company has finalised the fair valuation of assets and liabilities which had been accounted on provisional basis in previous year. The determination of such fair value have been carried out by the independent agency appointed by the Company.

In accordance with the paragraph 49 of Ind AS 103 - "Business Combinations", the standalone financial statements have been revised for the comparative year. The financial effect of the increase to the figures in the comparative financial statements are given below:

Particulars	31st March 2021
Property, Plant & Equipment	76.57
Capital Reserve	61.19
Deferred Tax Liability	15.38

Consequent to acquisition of SCC, w.e.f. 31st March 2021 the profit and loss for the year ended 31st March 2022 is not comparable with the previous year.

53. During the year the Company has added ₹ 7.43 million as Capital in Bodal Chemicals Trading (Shijiazhuang) Co., Ltd. (wholly owned subsidiary of the Company).

54. During the year the Company has added ₹ 316.48 million as Capital in Sen-Er Boya Kimya Tekstil San.Tic. Ltd. Accordingly Sen-er becomes wholly owned subsidiary of the Company.

55. Money received against Share Warrants:

The Company has not received the balance subscription amount of ₹1,293.8 million from the Warrant Holders before the extended due date i.e. 11th February 2021. Hence, the balance lying with the Company as 'Upfront Warrants Subscription Account', being amounts paid towards 25% of the issue price of the warrants, amounting to ₹431.3 million, stand forfeited in terms of Regulation 169 (3) of the SEBI (Issue of Capital and Disclosures Requirements) Regulations, upon non conversion of warrants into Equity shares by the warrant holders. The forfeited amount was transferred to the Capital Reserve account in the previous year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

56. Disclosure pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

(₹ in Million)

Sr. No.	Name of the Company (Subsidiary)	Outstanding Amount		Maximum amount outstanding during the year	
		As at 31st March 2022	As at 31st March 2021	FY 2021-22	FY 2020-21
1	SPS Processors Pvt. Ltd.	1,288.79	1,161.37	1,485.82	1,257.66
2	Bodal Chemicals Trading Pvt. Ltd.	-	0.88	0.88	34.60
3	Sen-Er Boya Kimya Tekstil San.Tic. Ltd.	-	80.51	327.69	80.51

- i) Loan to subsidiaries has been given for acquisition of assets and other business purposes.
- ii) The loanee does not have any investment in the shares of the Company.
- iii) The Company has given a guarantee of ₹ 200.85 million (P.Y. Nil) to Citibank N.A. for the purpose of advancing a loan to Sen-Er Boya Kimya Tekstil San.Tic. Ltd.

57. Donation made to Political Party under provisions of Section 182 of the Companies Act, 2013.

(₹ in Million)

Name of Political Party	FY 2021-22	FY 2020-21
Bhartiya Janata Party	-	1.10

58. (a) Trade Payables Ageing Schedule as on 31st March 2022:

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	97.54	0.01	0.00	0.02	97.57
(ii) Others - billed	1,782.52	5.22	1.15	2.39	1,791.28
(iii) Others - unbilled	362.57	-	-	-	362.57
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
Total	2,242.63	5.23	1.15	2.41	2,251.42

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

(b) Trade Payables Ageing Schedule as on 31st March 2021:

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	107.14	0.00	-	0.02	107.16
(ii) Others - billed	1,718.16	2.40	0.24	1.28	1,722.08
(iii) Others - unbilled	222.91	-	-	-	222.91
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
Total	2,048.21	2.40	0.24	1.30	2,052.15

59. (a) Trade Receivables Ageing Schedule as on 31st March 2022:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months - 1 Year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	4,772.32	24.32	10.77	2.42	-	4,809.82
ii) Undisputed Trade Receivables – which have a significant increase in credit risk.	-	-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired.	1.51	0.18	0.11	0.02	-	1.83
(i) Disputed Trade receivables – considered good	-	-	-	-	-	-
ii) Disputed Trade Receivables – which have a significant increase in credit risk.	-	-	-	-	-	-
iii) Disputed Trade Receivables – credit impaired.	-	-	-	-	-	-
	4,773.83	24.50	10.87	2.44	-	4,811.65
Less : Allowances for Credit Losses						1.83
Trade Receivables						4,809.82

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

(b) Trade Receivables Ageing Schedule as on 31st March 2021:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months - 1 Year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	3,879.01	56.74	17.48	1.99	0.29	3,955.52
ii) Undisputed Trade Receivables – which have a significant increase in credit risk.	-	-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired.	0.17	0.43	0.18	0.02	0.00	0.80
(i) Disputed Trade receivables – considered good	-	-	-	-	-	-
ii) Disputed Trade Receivables – which have a significant increase in credit risk.	-	-	-	-	-	-
iii) Disputed Trade Receivables – credit impaired.	-	-	-	-	-	-
Total	3,879.19	57.17	17.66	2.01	0.29	3,956.32
Less : Allowances for Credit Losses						0.80
Trade Receivables						3,955.52

60. (a) Capital Work in Progress (CWIP) Ageing Schedule as on 31st March 2022:

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	679.55	14.98	-	-	694.53
Projects temporarily suspended	-	-	-	-	-
Total	679.55	14.98	-	-	694.53

(b) Capital Work in Progress (CWIP) Ageing Schedule as on 31st March 2021:

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	44.85	-	-	-	44.85
Projects temporarily suspended	-	-	-	-	-
Total	44.85	-	-	-	44.85

- (c) The Company does not have any Capital-work-in-progress or intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

61. Ratio Analysis:

Note No.	Ratios	FY 2021-22	FY 2020-21	% Variance	Reason for variance
i	Current Ratio	1.33	1.31	1.52%	-
ii	Debt Service Coverage ratio	11.64	10.94	6.41%	-
iii	Inventory Turnover Ratio	3.07	3.32	-7.53%	-
iv	Trade Payable Turnover Ratio	7.89	5.06	56.01%	Note (a)
v	Net Profit Ratio	7.25%	4.28%	69.51%	Note (b)
vi	Return on Investment	12.14%	4.87%	149.33%	Note (c)
vii	Debt-Equity Ratio	0.57	0.43	31.68%	Note (d)
viii	Trade Receivables Turnover Ratio	4.27	2.95	45.10%	Note (e)
ix	Net Capital Turnover Ratio	9.16	6.62	38.47%	Note (f)
x	Return on Capital Employed	15%	7%	127.27%	Note (g)
xi	Return on Equity	13%	5%	156.04%	Note (h)

Note

i	Current Assets (A)	9,747.10	7,258.38
	Current Liabilities (B)	7,355.44	5,560.44
	Current Ratio (A/B)	1.33	1.31
ii	Earnings before Interest, Depreciation, and Tax (C)	2,444.14	1,008.72
	Interest Expense (D)	209.95	92.21
	Principal Repayments made during the period for long term loans and lease payments (E)	-	-
	Debt Service Coverage ratio (C/(D+E))	11.64	10.94
iii	Cost of Goods Sold (Raw Material Consumption + Changes in Inventories + Purchase of Stock-in-Trade) (F)	10,258.46	7,394.78
	Average Inventories (G)	3,339.51	2,226.02
	Inventory Turnover Ratio (F/G)	3.07	3.32
iv	Raw Material Purchase + Purchase of Stock in Trade + Other Expenses (H)	16,972.03	10,128.64
	Average Trade Payables (I)	2,151.79	2,003.41
	Trade Payable Turnover Ratio (H/I)	7.89	5.06
v	Profit After Tax (J)	1,358.23	483.15
	Revenue from Operations (K)	18,735.69	11,297.31
	Net Profit Ratio (J/K)	7.25%	4.28%
vi	Profit After Tax (L)	1,358.23	483.15
	Shareholders Fund (M)	11,191.99	9,926.49
	Return on Investment (L/M)	12.14%	4.87%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

vii	Net Debt (Total Debt - Cash & Cash Equivalents) (N)	6,376.36	4,294.87
	Total Equity (O)	11,191.99	9,926.49
	Debt-Equity Ratio (N/O)	0.57	0.43
viii	Revenue from Operations (P)	18,735.69	11,297.31
	Average Trade Receivables (Q)	4,382.67	3,834.51
	Trade Receivables Turnover Ratio (P/Q)	4.27	2.95
ix	Revenue from Operations (R)	18,735.69	11,297.31
	Average Working Capital (S)	2,044.80	1,707.29
	Net Capital Turnover Ratio (R/S)	9.16	6.62
x	Earning Before Interest and Tax (T)	2,008.88	728.82
	Shareholders' Fund + Long Term Debt (U)	13,329.35	10,990.49
	Return on Capital Employed (T/U)	15.07%	6.63%
xi	Profit After Tax (V)	1,358.23	483.15
	Average Total Equity (W)	10,559.24	9,617.20
	Return on Equity (V/W)	12.86%	5.02%

Formulae for computation of ratios are as under :

1	Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
2	Debt Service Coverage Ratio	$\frac{\text{Earnings before Interest, Depreciation and Tax}}{\text{Interest Expense} + \text{Principal Repayments made during the period for long term loans and lease payments}}$
3	Inventory Turnover Ratio	$\frac{\text{Cost of Goods Sold}}{\text{Average Inventories of Stock-in-Trade}}$
4	Trade Payables Turnover Ratio	$\frac{\text{Purchase of Raw materials} + \text{Purchases of Stock in Trade} + \text{Other Expenses}}{\text{Average Trade Payables}}$
5	Net Profit Ratio %	$\frac{\text{Profit After Tax}}{\text{Revenue from Operations}}$
6	Return on Investment	$\frac{\text{Profit After Tax}}{\text{Shareholders' Funds}}$
7	Debt-Equity Ratio	$\frac{\text{Total Debt}}{\text{Total Equity}}$
8	Trade Receivables Turnover Ratio	$\frac{\text{Revenue from Operations}}{\text{Average Trade Receivables}}$
9	Net Capital Turnover Ratio	$\frac{\text{Revenue from Operations}}{\text{Average Working Capital}}$
10	Return on Capital Employed	$\frac{\text{Net Profit Before Interest and Tax}}{\text{Shareholders' Fund} + \text{Long Term Debt}}$
11	Return on Equity	$\frac{\text{Profit After Tax}}{\text{Average Total Equity}}$

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Notes:

- Increase in Purchases is 68% as compared to previous financial year and decrease in trade payable is 7%. Accordingly ratio is increased from 5.06 to 7.89
- Previous financial year was affected by COVID-19, hence Net Profit Ratio was lower as compared to current financial year.
- Previous financial year was affected by COVID-19, hence Return on Investment was lower as compared to current financial year.
- Since there is increase in Current and Non-Current borrowing during the current financial year, Debt-Equity Ratio is increased from 0.43 to 0.57
- Increase in Turnover is 66% as compared to previous financial year and increase in trade receivable is 14%. Accordingly ratio is increased from 2.95 to 4.27
- Increase in Revenue from Operations is 66% as compared to previous financial year and increase in average working capital is 20%. Accordingly ratio is increased from 6.62 to 9.16
- Previous financial year was affected by COVID-19, hence Return on Capital employed was lower as compared to current financial year.
- Previous financial year was affected by COVID-19, hence Return on Capital employed was lower as compared to current financial year.

62. Other Statutory Information :

- The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies) other than as disclosed below, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Guarantee given to (Intermediary)	Details of Intermediary	Ultimate Beneficiary	Date of providing guarantee	Amount of guarantee (₹ in million)	Date of investment by Intermediary in Ultimate beneficiary	Amount of investment by Intermediary in Ultimate beneficiary
Citibank N.A.	Citibank N.A. - 1st Floor, Kalapurnam Building, Near Municipal Market, C.G. Road, Ahmedabad	Sen-Er Boya Kimya Tekstil San. Tic. Ltd.	27-07-2021	200.85	14-03-2022	164.55

- The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- The Company do not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.
- Title deeds of all the Immovable Property are held in name of the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

- (v) The Company has complied with the Scheme of Arrangements as approved by the National Company Law Tribunal (NCLT) in terms of sections 230 to 237 of the Companies Act, 2013 as is accounted in the financial statements in accordance with accounting standards.
- (vi) There are no proceedings which have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (vii) The Company has not been declared a wilful defaulter by any bank or financial institution.
- (viii) The Company has not identified any transaction with Companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 and has no balances outstanding from struck of Companies.
- (ix) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (x) Details of Crypto Currency or Virtual Currency - The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

63. The Code on Social Security, 2020 and Code of wages, 2019 relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Codes have been published in the Gazette of India. However, the date on which the Codes will come into effect has not been notified. The Company will assess the impact of the Codes when it comes into effect and will record any related impact in the period the Codes become effective.

For and on behalf of the Board of Directors

Suresh J. Patel
Chairman & Managing Director
DIN : 00007400

Mayur B. Padhya
Chief Financial Officer
Ahmedabad
27th May 2022

Bhavin S. Patel
Executive Director
DIN : 00030464

Ashutosh B. Bhatt
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To
The Members of BODAL CHEMICALS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **BODAL CHEMICALS LIMITED** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of profit in its associate, which comprise the Consolidated Balance Sheet as at 31st March, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of subsidiaries and the associate referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting

Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2022, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the sub-paragraphs (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	Timely recognition of revenue (Refer Note 1.5 and Note 29 to the Consolidated Financial Statements) We focussed on this area as a Key audit matter due to the risk of incorrect timing of revenue recognition. Since the Group focuses on revenue as a key	Principal audit procedures performed: Our audit procedures were a combination of test of controls and substantive procedures which included the following: Evaluated the design of internal controls relating to recording of revenues at reporting periods.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

Sr. No.	Key Audit Matter	Auditor's Response
	performance measure, it could create an incentive for revenue to be recognized though the performance obligations have not been satisfied by the Group.	- Selected a sample of invoices and tested the operating effectiveness of internal controls relating to revenue cut off's. - Performed cut-off procedures (early and late cut off's) for sample of revenue transactions at year-end by testing the underlying invoices to the related delivery documents.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Board' Report including Annexures to Board's Report, Corporate Governance Report and Management Discussion & Analysis, but does not include the consolidated financial statements, standalone financial statements and our auditor's reports thereon. These reports are expected to be made available to us after the date of this auditor's report.
- Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of subsidiaries and associate audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and associate, is traced from their financial statements audited by other auditors.
- When we read the other information identified above, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group and its associate in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its associate are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board

INDEPENDENT AUDITOR'S REPORT (CONTD.)

of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions

INDEPENDENT AUDITOR'S REPORT (CONTD.)

of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We did not audit the financial statements of 4(four) subsidiaries, whose financial statements reflect total assets of ₹ 2,278.87 million as at 31st March, 2022, total revenues of ₹ 2,619.32 million and net cash inflows amounting to ₹ 20.53 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ Nil for the year ended 31st March, 2022, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been

audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate is based solely on the reports of the other auditors.

- (b) We did not audit the information of 3 (Three) subsidiaries, whose financial information reflect total assets of ₹ 79.18 million as at 31st March, 2022, total revenues of ₹ 363.89 million and net cash inflows amounting to ₹ 0.92 million for the year ended on that date, as considered in the consolidated financial statements. These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements / information of the subsidiaries and associate referred to in the Other Matters section above we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Loss, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2022 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group companies and its associate company is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies and associate company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate;
 - ii) The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts;
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies and associate company incorporated in India.
 - iv) (a) The respective Managements of the Parent Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any

INDEPENDENT AUDITOR'S REPORT (CONTD.)

manner whatsoever by or on behalf of the Parent Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The respective Managements of the Parent Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been received by the Parent Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed

by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent Company, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Varsha A. Fadte

Partner

Panaji, Goa
27th May, 2022

(Membership No. 103999)
UDIN: 22103999AJSHUY7516

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended 31st March, 2022, we have audited the internal financial controls over financial reporting of Bodal Chemicals Limited (hereinafter referred to as “Parent”) and its subsidiary companies, which includes internal financial controls over financial reporting of the Company’s associate company, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies and its associate company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards

and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and its associate company, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies and its associate company, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (CONTD.)

receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matter paragraph below, the Parent, its subsidiary companies and its associate company, which are companies incorporated in India,

have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two subsidiary companies and one associate company, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of the above matter.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Varsha A. Fadte

Partner

Panaji, Goa

27th May, 2022

(Membership No. 103999)

UDIN: 22103999AJSHUY7516

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2022

(₹ in Million)			
Particulars	Notes	As at 31st March 2022	As at 31st March 2021
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	8,011.16	7,876.50
Capital Work-in-progress		695.29	144.46
Right of Use Assets	3	1.64	4.10
Goodwill on Consolidation	4	84.75	84.75
Intangible Assets	4	69.16	79.52
Financial Assets			
Investments	5	2.72	64.41
Loans	6	17.21	21.08
Other Financial Assets	7	172.80	219.72
Income Tax Assets (Net)	8	152.24	153.33
Deferred Tax Assets (Net)	9	90.84	64.84
Other Non-Current assets	10	617.64	132.38
Total Non - Current Assets		9,915.45	8,845.09
Current Assets			
Inventories	11	4,446.26	3,072.09
Financial Assets			
Trade Receivables	12	4,898.31	3,610.80
Customers Bill Discounted	12	997.98	1,065.92
Cash and Cash Equivalents	13	93.00	119.14
Other Bank Balances	14	58.48	43.72
Loans	15	47.81	28.26
Other Financial Assets	16	9.74	7.75
Other Current Assets	17	664.11	745.19
Assets held for sale		91.97	16.20
Total Current Assets		11,307.66	8,709.07
Total Assets		21,223.11	17,554.16
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	18	244.96	244.66
Other Equity	19	10,313.03	9,569.54
Equity attributable to the Equity holders of the parent		10,557.99	9,814.20
Non-Controlling Interests		(34.48)	46.07
Total Equity		10,523.51	9,860.27
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	20	2,137.36	1,064.00
Lease Liability		1.01	3.10
Provisions	21	2.43	37.88
Deferred Tax Liabilities (Net)	22	514.53	487.77
Total Non-Current Liabilities		2,655.33	1,592.75
Current Liabilities			
Financial Liabilities			
Borrowings	23	3,619.65	2,402.58
Customers Bill Discounted	23	997.98	1,065.91
Lease Liability		0.80	1.29
Trade Payables	24		
(a) Total outstanding dues of Micro Enterprises and Small Enterprises		99.43	108.59
(b) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		2,442.34	2,115.67
Other Financial Liabilities	25	537.12	82.40
Other Current Liabilities	26	271.50	282.44
Provisions	27	9.71	24.40
Income Tax Liabilities (Net)	28	65.74	17.86
Total Current Liabilities		8,044.27	6,101.14
Total Liabilities		10,699.60	7,693.89
Total Equity and Liabilities		21,223.11	17,554.16

See Accompanying Notes forming part of the Financial Statements

1 to 61

As per our report of even date attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Varsha A. Fadte
Partner

Panaji, Goa
27th May 2022

For and on behalf of the Board of Directors

Suresh J. Patel
Chairman & Managing Director
DIN : 00007400

Mayur B. Padhya
Chief Financial Officer

Ahmedabad
27th May 2022

Bhavin S. Patel
Executive Director
DIN : 00030464

Ashutosh B. Bhatt
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH 2022

Particulars	Notes	(₹ in Million)	
		Year ended 31st March 2022	Year ended 31st March 2021
INCOME			
Revenue from Operations	29	20,506.21	12,264.33
Other Income	30	173.44	159.34
Total Income		20,679.65	12,423.67
EXPENSES			
Cost of Materials Consumed	31	12,069.73	7,637.59
Purchases of Stock-in Trade	32	303.27	644.29
Changes in Inventories of Finished Goods, Work in Process and Stock in Trade	33	(842.77)	(332.31)
Employee Benefits Expense	34	1,104.55	777.48
Finance Costs	35	294.77	166.48
Depreciation and Amortisation expense	36	466.17	304.85
Bad Debts written off	36.1	-	173.25
Other Expenses	37	5,675.57	2,498.20
Total Expenses		19,071.29	11,869.83
Profit Before Share of Profit / (Loss) of Associate, Exceptional Items and Tax		1,608.36	553.84
Share of Profit / (Loss) of Associate		-	-
Profit Before Exceptional Items and Tax		1,608.36	553.84
Less: Exceptional Items	37.1	187.91	-
Profit Before Tax		1,420.45	553.84
Tax Expenses	41		
Current Tax		438.60	126.93
(Short)/Excess Provision of Tax of Prior Years		(3.94)	(154.83)
Current Tax		434.66	(27.90)
Deferred Tax		(0.84)	184.07
Total Tax Expense		433.82	156.17
Profit for the Year		986.63	397.67
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		6.28	2.96
Income Tax relating to items that will not be reclassified to profit and loss account		(1.60)	(0.73)
Share of OCI in associate		-	-
		4.68	2.23
Items that will be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign subsidiaries		85.48	9.61
Income Tax relating to items that will be reclassified to profit and loss account		-	-
		85.48	9.61
Other Comprehensive Income for the Year (net of tax)		90.16	11.84
Total Comprehensive Income for the Year		1,076.79	409.51
Profit for the Year Attributable to:			
Ownres of the Company		1,076.67	419.82
Non-controlling interest		(90.04)	(22.15)
		986.63	397.67
Other Comprehensive Income for the Year Attributable to:			
Ownres of the Company		72.21	8.87
Non-controlling interest		17.95	2.97
		90.16	11.84
Total Comprehensive Income for the Year Attributable to:			
Ownres of the Company		1,148.88	428.69
Non-controlling interest		(72.09)	(19.18)
		1,076.79	409.51
Earnings per equity share (Face value of ₹2)	44		
Basic (in ₹)		8.79	3.25
Diluted (in ₹)		8.79	3.24

See Accompanying Notes forming part of the Financial Statements

1 to 61

As per our report of even date attached

For **Deloitte Haskins & Sells LLP****Chartered Accountants**

For and on behalf of the Board of Directors

Varsha A. Fadte

Partner

Suresh J. Patel

Chairman & Managing Director

DIN : 00007400

Bhavin S. Patel

Executive Director

DIN : 00030464

Mayur B. Padhya

Chief Financial Officer

Ashutosh B. Bhatt

Company Secretary

Panaji, Goa
27th May 2022Ahmedabad
27th May 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH 2022

A) Equity Share Capital

(₹ in Million)

Particulars	As at 31st March 2022	As at 31st March 2021
Balance at the commencement of the year	244.66	244.66
Add : Issue of Shares under ESOP	0.30	-
Balance at the end of the year	244.96	244.66

B) Other Equity

(₹ in Million)

	Reserves & Surplus						Items of Other Comprehensive Income	Non-Controlling Interests	Total
	Capital Reserve on Consolidation	Capital Reserve	Capital Redemption Reserve Fund	Securities Premium	Employee Stock Options Outstanding Account	General Reserve	Retained Earnings		
Balance as at 1st April 2020 (A)	0.18	76.12	289.67	2,406.16	11.07	138.86	5,733.39	(17.94)	8,702.76
Additions during the year:									
Profit for the year		-	-	-	-	-	419.82	(22.15)	397.67
Other Comprehensive Income for the year, net of tax		-	-	-	-	-	(0.75)	2.97	2.22
Total Comprehensive Income for FY 2020-21 (B)		-	-	-	-	-	419.07	(19.18)	399.89
Addition due to forfeiture of Share Warrants		431.25							431.25
Addition due to acquisition of SCC (refer note 53)		61.19							61.19
Change due to Employee share based expense (refer note 50)					10.91				10.91
Exchange differences in translating the financial statements of foreign subsidiaries								9.61	9.61
Total (C)		492.44	-	-	10.91	-	-	9.61	512.96
Balance as at 31st March 2021 (D) = (A+B+C)	0.18	568.56	289.67	2,406.16	21.98	138.86	6,152.46	(8.33)	9,615.61
Additions during the year:									
Profit for the year		-	-	-	-	-	1,076.67	(90.04)	986.63
Other Comprehensive Income for the year, net of tax		-	-	-	-	-	(13.27)	17.95	4.68
Sen-er's Non-Controlling Interest adjusted							(308.02)	(8.46)	(316.48)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTD.)

(₹ in Million)

	Reserves & Surplus						Items of Other Comprehensive Income	Non-Controlling Interests	Total
	Capital Reserve on Consolidation	Capital Reserve	Capital Redemption Reserve Fund	Securities Premium	Employee Stock Options Outstanding Account	General Reserve	Retained Earnings		
Exchange differences in translating the financial statements of foreign subsidiaries									85.48
Change due to Employee share based expense (refer note 50)					(10.66)				(10.66)
Total Comprehensive Income for FY 2021-22 (E)		-	-	-	-	-	755.38	(80.55)	674.83
Securities Premium on issue of shares (refer note 19)				11.27					11.27
Dividends		-	-	-	-		(97.98)		(97.98)
Total (F)		-	-	11.27	(10.66)	-	(97.98)		(97.37)
Balance as at 31st March 2022 (D+E+F)	0.18	568.56	289.67	2,417.43	11.32	138.86	6,809.86	(34.48)	10,278.55

C) Money Received against Share Warrants

(₹ in Million)

Particulars	As at	
	31st March 2022	31st March 2021
Balance at the commencement of the year	-	431.25
Addition during the year	-	-
Less : Forfeited during the year	-	(431.25)
Balance at the end of the year	-	-

See Accompanying Notes forming part of the Financial Statements 1 to 61

As per our report of even date attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Varsha A. Fadte
Partner

For and on behalf of the Board of Directors

Suresh J. Patel
Chairman & Managing Director
DIN : 00007400

Mayur B. Padhya
Chief Financial Officer
Ahmedabad
27th May 2022

Bhavin S. Patel
Executive Director
DIN : 00030464

Ashutosh B. Bhatt
Company Secretary

Panaji, Goa
27th May 2022

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH 2022

(₹ in Million)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	1,420.45	553.84
Adjustment for		
Depreciation and Amortisation Expense	466.17	304.85
Gain on deletion of Lease Assets	-	(0.01)
Unrealised Foreign Exchange Loss / (Gain)	(1.39)	11.21
Fair Value Gain on Investments measured through profit or loss	(0.42)	(32.44)
Mark-to-market loss on derivative financial instruments	0.06	0.68
Allowance for doubtful trade receivables	(0.08)	(2.58)
Finance Costs	294.77	166.48
Expenses recognised in respect of share based payments	(0.59)	10.91
Loss / (Profit) on Sale of Property, Plant & Equipment (Net)	(7.05)	1.16
Interest and Dividend Income	(120.06)	(76.28)
Profit on Sale of Current Investments (Net)	(40.10)	(0.02)
Provision for Diminution in Investments	-	0.00
Operating Profit before Working Capital Changes	2,011.76	937.80
Adjustment for :		
Increase in Trade Receivables	(1,200.64)	(124.87)
Increase in Inventories	(1,374.17)	(881.58)
(Increase) / Decrease in Financial Assets	59.89	(173.76)
(Increase) / Decrease in Other Assets	88.83	(150.33)
Increase in Trade Payables	317.28	124.42
Increase in Other Financial Liabilities	316.86	15.06
Increase in Other Liabilities and Provisions	30.68	220.63
Cash generated from / (Used in) Operations	250.49	(32.63)
Income Taxes Paid (Net of Refund)	385.69	97.54
Net Cash Used in Operating Activities (A)	(135.20)	(130.17)
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment including Capital Work in Progress and capital advances	(1,590.82)	(1,781.26)
Sale proceeds of Property, Plant & Equipment	27.49	22.81
Loans to Related Party	-	0.21
Net Increase in Loans to Employees	(18.03)	(5.49)
Interest/Dividend received	119.49	74.53
Inter Corporate Loans received back	2.35	20.03
Bank Balances not considered as Cash and Cash Equivalents		
Placed	(72.10)	(32.89)
Matured	42.95	25.51
Investment in Current Investments	-	(80.00)
Proceeds from Sale of Current Investments	102.22	80.02
Investment in Subsidiary	(316.49)	-
Investment in Associate	-	(0.03)
Net Cash used in Investing Activities (B)	(1,702.94)	(1,676.56)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTD.)

(₹ in Million)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	1,073.36	1,064.00
Repayment of Long Term Borrowings	-	(0.90)
Increase in Short Term Borrowings	1,131.88	887.66
Proceeds from issue of Equity Shares under ESOP	1.52	-
Lease Liability Paid	(2.32)	(3.34)
Finance Costs Paid	(295.03)	(166.21)
Dividend Paid on Equity Shares	(97.41)	0.01
Net Cash from Financing Activities (C)	1,812.00	1,781.22
NET DECREASE IN CASH & EQUIVALENTS	(26.14)	(25.51)
Cash & Cash Equivalents at the beginning of the year	119.14	144.65
Cash & Cash Equivalents at the end of the year	93.00	119.14

Note i) : The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Ind AS 7 'Statement of Cash Flows'.

Note ii) : Changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, are given below.

Note iii) : amount below ₹ 5,000 denoted as 0.00

(₹ in Million)

Particulars	Non-Current (Refer Note 20)	Current (Refer Note 23)
Borrowing as on 31st March 2021	1,064.00	3,468.49
Cash Flows	1,073.36	1,131.88
Non Cash Changes - Foreign Exchange Movement	-	17.26
Borrowing as on 31st March 2022	2,137.36	4,617.63

See accompanying notes forming part of the financial statements 1 to 61

As per our report of even date attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors

Varsha A. Fadte
Partner

Suresh J. Patel
Chairman & Managing Director
DIN : 00007400

Bhavin S. Patel
Executive Director
DIN : 00030464

Mayur B. Padhya
Chief Financial Officer

Ashutosh B. Bhatt
Company Secretary

Panaji, Goa
27th May 2022

Ahmedabad
27th May 2022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

COMPANY BACKGROUND

The consolidated financial statements comprise financial statements of Bodal Chemicals Ltd. ('the Parent/ Company'), its subsidiaries (collectively, 'the Group') for the year ended 31st March 2022.

The Parent is a public Ltd. Company domiciled and incorporated in India under the Indian Companies Act, 1956. The registered office of the Parent is located at Plot No. 123-124, Phase – I, G.I.D.C., Vatva, Ahmedabad - 382445, India.

The Group is engaged in the business of manufacturing of Dyes, Dye Intermediates and Basic Chemicals. Further details about the business operations of the Group are provided in Note 43 – Segment Information

1 Significant Accounting Policies:

1.1 Statement of compliance:

The consolidated financial statements of the Group are prepared in accordance with and in compliance, in all material aspects, with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read along with Companies (Indian Accounting Standards) Rules, as amended and other provisions of the Act. The presentation of the consolidated Financial Statements is based on Ind AS Schedule III of the Act.

1.2 Basis of Preparation of Financial Statements:

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy.

In addition, the consolidated financial statements are presented in ₹ and all values are rounded to the nearest million except when otherwise indicated.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another

valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability

The principal accounting policies are set out below.

1.3 Basis of Consolidation:

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Statement of Profit and Loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. The Goodwill is determined separately for each subsidiary Company and such amounts are not set off between different entities.

Following subsidiary companies / associate have been considered in the preparation of the consolidated financial statements:

Sr. No.	Name of Subsidiary	Country of Incorporation	Extent of Holding/ Voting Power (%) as on 31 st March 2022	Extent of Holding/ Voting Power (%) as on 31 st March 2021
1	SPS Processors Pvt. Ltd.	India	70.00%	70.00%
2	Bodal Chemicals Trading Pvt. Ltd.	India	100.00%	100.00%
3	Bodal Chemicals Trading (Shijiazhuang) Co., Ltd.	China	100.00%	100.00%
4	Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd.	Turkey	100.00%	80.00%
5	Bodal Bangla Ltd.	Bangladesh	100.00%	100.00%
6	Senpa Dis Ticaret Anonim Sirketi (100% subsidiary of Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd.)	Turkey	100.00%	80.00%
7	Plutoeco Enviro Association (w.e.f. 27th October 2020)	India	25.00%	25.00%

1.4 Changes in the Group's ownership interests in existing subsidiaries:

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

1.5 Revenue Recognition:

a) Revenue from contracts with customer

Revenue is recognised when control of goods is transferred to a customer in accordance with the terms of the contract. The control of the goods is transferred upon delivery to the customers either at factory gate of the Group or specific location of the customer or when the goods are handed over to the freight carrier, as per the terms of the contract. A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Revenue is measured based on the consideration to which the Group expects to be entitled as per contract with a customer. The consideration is determined based on the price specified in the contract. Contracts with customers are for short-term, at an agreed price. The contracts do not grant any rights of return to the customer. Returns of goods are accepted by the Group only on an exception basis. Revenue excludes any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax.

b) Other income

Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

1.6 Lease

(i) Under Ind AS 116 Leases:

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments associated with these leases are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Lease term is a non-cancellable period together with periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

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The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently amortised using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be amortised over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments to be paid over the lease term at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method.

1.7 Foreign currencies:

In preparing the consolidated financial statements of each individual entity of the Group, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

The translation of financial statements of the foreign subsidiaries to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the Balance Sheet date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in currency translation reserves under other components of equity. When a subsidiary is disposed off, in full, the relevant amount is transferred to net profit in the statement of comprehensive income. However when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

1.8 Employee Benefits:

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Remeasurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

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- Net interest expense or income; and
- Remeasurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits such as compensated absences are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. These are determined actuarially using the projected unit credit method.

1.9 Share Based Payments

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity settled share based payments transactions are set out in Note 50.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Employee Stock Options Outstanding Account.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

1.10 Taxation:

Income tax expense represents the sum of the current tax and deferred tax.

Current Tax

The current tax payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

1.11 Property, plant and equipment:

Property, plant and equipment for use in the production or supply of goods or services, or for administrative purposes, are stated in the Balance Sheet at cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital work-in-progress'.

Depreciation Methods, Estimated Useful Lives and Residual Value

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual

values over their useful lives prescribed in Schedule II to the Companies Act, 2003, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Freehold land is not depreciated

Property, Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Useful lives of tangible assets

Estimated useful lives of the tangible assets are as follows:

Buildings	30-60 years
Plant & Machinery	20 years
Furniture & Fixtures	10 years
Vehicles	8-10 years
Office Equipments & Computers	3-5 years

Capital work in progress is stated at cost less accumulated impairment loss, if any.

1.12 Intangible Assets:

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

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De-recognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Intangible assets are amortised on a straight-line basis over their technically assessed useful lives, as mentioned below:

Intangible Assets	Estimated Useful Lives (Years)
Software	5
License/Membership Fees	10
Website	5

1.13 Impairment of tangible and intangible assets other than goodwill:

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value

in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.14 Inventories:

Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realisable value after providing for obsolescence, if any. The comparison of cost and net realisable value is made on an item-by item basis.

In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, First-in-First-Out (FIFO) method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads as applicable and other costs incurred in bringing the inventories to their present location and condition.

Materials in transit are valued at cost-to-date.

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1.15 Provision, Contingent Liabilities and Contingent Assets:

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A contingent liability exists when there is a possible but not probable obligation or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

1.16 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability at the measurement date. The fair value measurement is based on the presumption that the transaction to

sell the financial asset or settle the financial liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Fair value measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies.

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For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.17 Financial Instruments

Financial assets and financial liabilities are recognised when a Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by a Group are recognised at the proceeds received, net of direct issue costs.

1.18 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For the impairment policy on financial assets measured at amortised cost, refer paragraph of Impairment of financial assets.

A financial asset that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVOCI):

- The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

For the impairment policy on debt instruments at FVTOCI, refer paragraph of Impairment of financial assets.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts

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(including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Financial assets at fair value through profit or loss (FVTPL)

A financial asset that does not meet the amortised cost criteria or FVTOCI criteria (see above) is measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the Group, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the

cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Group measured loss allowance for a financial instrument at lifetime expected credit loss in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

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For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had

been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

1.19 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and

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the consideration paid and payable is recognised in profit or loss.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Finance Costs' line item.

1.20 Derivative Financial Instrument and Hedge Accounting:

The Group enters into forward exchange contracts to hedge against its foreign currency exposures relating to the firm commitments. The Group does not enter into any derivative instruments for trading or speculative purposes

Recognition and measurement of fair value hedge:

Derivative financial instrument is initially recognised at fair value on the date on which a derivative contract is entered into and is subsequently measured at fair value at each reporting date. Gain or loss arising from changes in the fair value of derivative financial instrument is recognised in the Statement of Profit and Loss. Derivative financial instrument is recognised as a financial asset in the Balance Sheet if its fair value as at reporting dates is positive as compared to carrying value and as a financial liability if its fair value as at reporting date is negative as compared to carrying value.

1.21 Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

1.22 Operating Cycle:

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

1.23 Cash and Cash Equivalents:

The Group considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

1.24 Borrowing Costs:

Borrowing costs attributable to the acquisition, construction or production of qualifying assets, are added to the cost of those assets, up to the date when the assets are ready for their intended use. All other borrowing costs are expensed in the period they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.25 Segment Reporting:

The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

1.26 Government grant and Subsidies:

Government grants are recognised when there is a reasonable assurance that the Group will comply with the conditions attached to them and grants will be received.

Government grants are recognised in Statement of Profit and Loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the Balance Sheet and transferred to Statement

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of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in Statement Profit and Loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

1.27 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.28 Exceptional Items

Exceptional items refer to items of income or expenses within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their disclosure is considered necessary to explain the performance of the Group.

1.29 Earnings per Share:

Basic earnings per equity share is computed by dividing the net profit/(loss) attributable to the equity holders of the Group by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been

actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

1.30 Use of Estimates:

The preparation of the consolidated financial statements in conformity with Ind-AS requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities (including contingent liabilities) on the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. The management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

1.31 Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Revisions to accounting estimates are recognised prospectively.

The areas involving critical estimates or judgments are:

- Estimation of defined benefit obligation (Note 1.8)
- Estimation of Useful life of Property, plant and equipment and intangibles (Note 1.11)
- Estimation of taxes (Note 1.10)
- Estimation of impairment (Note 1.13)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

1.32 Business Combinations and Goodwill

The Group accounts for its business combinations under acquisition method of accounting.

Acquisition related costs are recognised in Statement of Profit and Loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

If the initial accounting for a business combination is incomplete as at the reporting date in which the combination occurs, the identifiable assets and liabilities acquired in a business combination are measured at their provisional fair values at the date of acquisition. Subsequently adjustments to the provisional values are made within the measurement period, if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date; otherwise the adjustments are recorded in the period in which they occur.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in other comprehensive income (OCI) and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain

purchase, the Group recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Further details including the key assumptions adopted to determine the recoverable amount of goodwill are detailed in note 4.

Changes in ownership that do not result in a change of control are accounted for as equity transactions and therefore do not have any impact on goodwill. The difference between consideration and the non-controlling share of net assets acquired is recognised within equity.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts, with adjustments only to harmonise accounting policies.

1.33 Dividend distribution to equity shareholders

The Group recognises a liability to make dividend distributions to its equity holders when the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

distribution is authorised and the distribution is no longer at its discretion. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

In case of Interim Dividend, the liability is recognised on its declaration by the Board of Directors.

1.34 Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23rd March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1st April 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group is in the process of assessing the impact of the amendment in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items

produced while the Group is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group is in the process of assessing the impact of the amendment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact on its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 %' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group is in the process of assessing the impact of the amendment in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration.

The Group is in the process of assessing the impact of the amendment in its financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

2. Property, Plant And Equipment

(₹ in Million)

	Land (Freehold)	Factory Building	Office Building	Plant & Machinery	Furniture & Fixture	Office Equipment	Vehicles	Total
Balance as at 31st March 2020	1,128.91	1,471.50	155.52	4,273.40	92.98	60.90	104.33	7,287.54
Translation Reserve	-	(0.31)	-	(0.56)	(0.81)	-	-	(1.68)
Additions	7.74	86.84	4.37	214.29	5.85	7.19	6.75	333.03
Addition on Acquisition of SCC (refer note 53)	595.22	219.02	-	667.31	0.00	0.65	1.51	1,483.71
Asset reclassified as held for sale	16.20							16.20
Disposals	-	-	-	33.81	0.01	0.86	7.81	42.49
Translation Reserve	1,715.67	1,777.05	159.89	5,120.63	98.01	67.88	104.78	9,043.91
Translation Reserve	-	(0.45)	-	(0.87)	(1.36)	0.01	-	(2.67)
Additions	83.35	68.04	0.14	477.11	3.20	12.49	42.33	686.66
Asset reclassified as held for sale	75.77							
Disposals	1.05	2.23	-	21.60	-	0.04	6.58	31.50
Balance as at 31st March 2022	1,722.20	1,842.41	160.03	5,575.27	99.85	80.34	140.53	9,620.63

(₹ in Million)

	Land (Freehold)	Factory Building	Office Building	Plant & Machinery	Furniture & Fixture	Office Equipment	Vehicles	Total
Balance as at 31st March 2020	-	156.00	3.37	689.22	11.66	21.54	29.37	911.16
Translation Reserve		(0.20)	-	(0.26)	(0.25)	-	-	(0.71)
Additions	-	49.02	2.51	209.52	8.41	11.81	10.41	291.68
Disposals	-	-	-	27.92	-	0.63	6.17	34.72
Balance as at 31st March 2021	-	204.82	5.88	870.56	19.82	32.72	33.61	1,167.41
Translation Reserve	-	(0.16)	-	(0.54)	(0.53)	0.02	-	(1.21)
Additions	-	59.10	2.55	356.05	8.77	14.09	13.78	454.34
Disposals	-	0.59	-	6.88	-	0.03	3.57	11.07
Balance as at 31st March 2022	-	263.17	8.43	1,219.19	28.06	46.80	43.82	1,609.47

	Land	Factory Building	Office Building	Plant & Machinery	Furniture & Fixture	Office Equipment	Vehicles	Total
Net Block								
Balance as at 31st March 2021	1,715.67	1,572.23	154.01	4,250.07	78.19	35.16	71.17	7,876.50
Balance as at 31st March 2022	1,722.20	1,579.24	151.60	4,356.08	71.79	33.54	96.71	8,011.16

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

3. Right of Use Assets

Particulars	Building (₹ in million)
GROSS CARRYING VALUE	
At 31st March 2020	9.68
Deletion	(0.44)
At 31st March 2021	9.24
At 31st March 2022	9.24
ACCUMULATED AMORTISATION	
At 31st March 2020	1.95
Amortisation Expense	1.84
Translation Reserve	1.35
At 31st March 2021	5.14
Amortisation Expense	1.09
Translation Reserve	1.37
At 31st March 2022	7.60
Net carrying value as at 31 March 2022	1.64

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

4. Intangible Assets

	Goodwill	Other Intangibles							Non-Compete	Total
		Computer Software	Membership Fees	Website	Rights	Other Intangible	Customer Relationship	Brand / Trademark		
Gross Block										
Balance as at 31st March 2020	84.75	9.49	9.13	-	0.15	0.51	4.80	51.60	31.10	106.78
Translation Reserve	-	-	-	-	(0.03)	(0.17)	-	-	-	(0.20)
Additions	-	0.70	-	-	0.06	-	-	-	-	0.76
Disposals	-	-	0.20	-	-	-	-	-	-	0.20
Balance as at 31st March 2021	84.75	10.19	8.93	-	0.18	0.34	4.80	51.60	31.10	107.14
Translation Reserve	-	-	-	-	(0.07)	(0.14)	-	-	-	(0.21)
Additions	-	0.47	-	-	0.01	0.03	-	-	-	0.51
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2022	84.75	10.66	8.93	-	0.12	0.23	4.80	51.60	31.10	107.44
Accumulated Amortisation										
Balance as at 31st March 2020	-	4.10	6.21	-	0.01	0.12	0.32	3.44	2.07	16.27
Translation Reserve	-	-	-	-	(0.01)	(0.09)	-	-	-	(0.10)
Additions	-	1.68	0.81	-	0.02	0.07	0.48	5.16	3.11	11.33
Disposals	-	-	(0.12)	-	-	-	-	-	-	(0.12)
Balance as at 31st March 2021	-	5.78	7.14	-	0.02	0.10	0.80	8.60	5.18	27.62
Translation Reserve	-	-	-	-	(0.01)	(0.07)	-	-	-	(0.08)
Additions	-	1.47	0.40	-	0.02	0.10	0.48	5.16	3.11	10.74
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2022	-	7.25	7.54	-	0.03	0.13	1.28	13.76	8.29	38.28
Net Block										
Balance as at 31st March 2021	84.75	4.41	1.79	-	0.16	0.24	4.00	43.00	25.92	79.52
Balance as at 31st March 2022	84.75	3.41	1.39	-	0.09	0.10	3.52	37.84	22.81	69.16

(₹ in Million)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Details of Impairment testing for the Group are as follows :

Testing Goodwill for Impairment

Management reviews the carrying value of goodwill annually to determine whether there has been any impairment. This involves making an assessment of the value of goodwill for each cash generating unit (CGU) and comparing it to the carrying value. If the assessed value is lower than the carrying value, then an impairment charge is recognised to reduce the carrying value to this amount. Management reviews the business performance based on the Product Segment. The Group has identified the following products/geographies as a separate cash generating unit for the purpose of allocation and monitoring of Goodwill and a summary of the carrying amounts of the respective Goodwill is as given below.

(₹ in Million)

31st March 2022	Opening	Addition	Disposal Impairment	Closing
Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd. (Turkey operations)				
Goodwill	62.17	-	-	62.17
Other than Turkey operations				
Goodwill	22.58	-	-	22.58
Total Group	84.75			84.75

Value in use i.e the enterprise value of each CGU is calculated using cash flow projections over a period of 5 years, with amounts based on medium term strategic plans, Variations to strategic plans are incorporated in the calculations based on past experience. Cash flows beyond the 5 years period are extrapolated using a long-term perpetual growth rate.

Key assumptions in the business plans include future revenue, associated future levels of relevant costs. These assumptions are based on historical trends and future market expectations specific to each CGU and the markets and geographies in which they operate.

Other key assumptions applied in determining value in use are:

- Long term perpetual growth rate – cash flows beyond the 5 year period are extrapolated using the estimated long term growth rate, as applicable, for the businesses in which the CGU's operate.
- Discount Rate – the discount rate is based on a Weighted Average Cost of Capital (WACC) for comparable companies in similar markets for specific risk affecting where each CGU operates.

The long-term growth rates and discount rates applied in the value in use calculations as at 31st March 2022 are given below:

	Pre-Tax discount rate	Long term growth rate
Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd. (Turkey operations)	24.12%	9.00%
Other than Turkey operations	12.69%	3.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

5. Investments (Non-Current)

(₹ in Million)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Quoted		
Investments in Equity Instruments - carried at FVTPL		
100 (P.Y. : 100) Equity Shares of Beta Nepthol Ltd. of ₹ 10/- Each Fully Paid Up	0.00	0.00
6,500 (P.Y. : 4,00,000) Equity Shares of Bhageria Industries Ltd. of ₹ 5/- Each Fully Paid Up	1.45	63.04
	1.45	63.04
Less : Impairment Loss	0.00	0.00
Total of Investments in Equity Instruments	1.45	63.04
Total of Quoted Investments	1.45	63.04
Unquoted		
Investments in Equity Instruments		
Investment in Associate Concern - carried at cost		
2,500 (P.Y. : 2,500) Equity Shares of Plutoeco Enviro Association of ₹ 10/- Each Fully Paid Up	0.03	0.03
Investments in other entities - carried at cost		
250 (P.Y. : 250) Equity Shares of Green Environment Ser. Co-op.Soc. Ltd. of ₹ 100/- each Fully Paid Up	0.03	0.03
1,02,350 (P.Y. : 1,12,350) Equity Shares of Bharuch Enviro Infrastructure Ltd of ₹ 10/-each Fully Paid Up	1.02	1.12
100 (P.Y. : 100) Equity Shares of Guj.Ind. Waste Mng. Co. Ltd. of ₹ 10/- Each Fully Paid Up*	0.00	0.00
10 (P.Y. : 10) Equity Shares of The Bhagoydaya Co-op. Bank Ltd. of ₹ 100/- Each Fully Paid Up	0.00	0.00
10,200 (P.Y. : 10,200) Equity Shares of Panoli Enviro Technology Ltd. of ₹ 10/- Each Fully Paid Up	0.10	0.10
3,542 (P.Y. : 3,542) Equity Shares of Makarpura Ind.Est. Co-op. Bank Ltd. of ₹ 25/- Each Fully Paid Up	0.09	0.09
Total of Investments in Equity Instruments (Unquoted)	1.27	1.37
Less : Impairment Loss*	0.00	0.00
Total of Unquoted Investments	1.27	1.37
Total of Non-Current Investments	2.72	64.41

* Provision for impairment loss on 100 Equity Shares of Guj.Ind. Waste Mng. Co. Ltd. of ₹ 10/- Each Fully Paid Up amount below ₹ 5,000 denoted as 0.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

6. Loans (Non-Current)

(₹ in Million)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
(Unsecured and Considered Good)		
Loans to Employees	17.21	21.08
Total	17.21	21.08

7. Other Financial Assets (Non-Current)

(₹ in Million)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Security Deposits	136.93	199.38
Margin Money Deposits with bank with maturity after twelve months from the reporting date*	35.87	20.34
Total	172.80	219.72

* Held as lien by bank against bank guarantees and letters of credit.

8. Income Tax Assets (Net)

(₹ in Million)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Income Tax Assets (Net)	152.24	153.33
Total	152.24	153.33

9. Deferred Tax Assets (Net)

(₹ in Million)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Deferred Tax Assets		
Property, Plant and Equipment	0.43	6.16
Allowance for Doubtful Debts	0.46	0.55
Unabsorbed Depreciation & c/f loss	82.83	52.15
Other Adjustments	6.49	0.64
Expense claimed for tax purpose on payment basis	0.63	0.15
Unused Tax Credit	-	4.72
Expenditure covered by section 43B of Income Tax Act, 1961	-	0.47
Total	90.84	64.84

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

10. Other Non-Current Assets (Unsecured and Considered Good)

(₹ in Million)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Capital Advances	609.13	116.11
Balance With Statutory Authorities	7.49	12.61
Pre-paid Expenses	1.02	0.89
Gratuity Planned Assets (Net)	-	2.77
Total	617.64	132.38

10.1 Capital Advances include ₹ 14.43 million (P.Y. : ₹ 5.46 million) to related parties. (refer note 43)

10.2 Balance with Statutory Authorities includes balances with GST, Excise, Service Tax, Sales Tax, Customs Dept., etc.

11. Inventories (Valued at the lower of cost or net realisable value)

(₹ in Million)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
a) Raw Materials	1,397.04	715.00
Raw Materials in Transit	83.29	324.58
	1,480.33	1,039.58
b) Finished Goods	634.69	499.76
Finished Goods in Transit	161.00	213.81
	795.69	713.57
c) Stock In Process	1,867.14	1,020.05
	1,867.14	1,020.05
d) Stock In Trade	50.76	137.20
	50.76	137.20
e) Packing Materials	20.52	14.54
Packing Materials in Transit	0.39	0.06
	20.91	14.60
f) Stock of Fuel	32.64	15.15
Fuel in Transit	0.68	0.51
	33.32	15.66
g) Stores and Spares	195.32	131.24
Stores and spares in Transit	2.79	0.19
	198.11	131.43
Total	4,446.26	3,072.09

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

12. Trade Receivables

(₹ in Million)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Trade receivables		
Secured & Considered Good	4.35	-
Unsecured & Considered Good	5,891.94	4,676.72
Unsecured & Considered Doubtful	6.03	6.11
Less : Allowances for Credit Losses (refer note 39)	(6.03)	(6.11)
	5,896.29	4,676.72
Customers Bill Discounted	997.98	1,065.92
Other Trade Receivables	4,898.31	3,610.80
Total	5,896.29	4,676.72

12.1 Trade Receivables include ₹ 2.13 million (P.Y. : ₹ 3.21 million) to related parties. (refer note 43)

13. Cash and Bank Balances

(₹ in Million)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Cash & Cash Equivalents		
Cash on hand	2.68	6.05
Balance with Banks		
in Current Accounts	54.12	74.19
in Fixed Deposits	36.20	38.90
Total	93.00	119.14

14. Other Bank Balances

(₹ in Million)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Margin Money Deposits with bank *	54.55	40.36
Unclaimed Dividend Accounts	3.93	3.36
Total	58.48	43.72

* Held as lien by bank against bank guarantees and letters of credit.

15. Loans (Current) (Unsecured & considered good)

(₹ in Million)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Loans to Employees	47.81	25.91
Inter-Corporate Loans	-	2.35
Total	47.81	28.26

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

16. Other Financial Assets (Current)

(₹ in Million)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Security Deposits	0.95	-
Other Receivables	8.79	7.75
Total	9.74	7.75

16.1 Other receivables include accrued interest on deposits and other claims receivable.

17. Other Current Assets

(₹ in Million)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Export Incentives Receivables	87.02	3.73
Advance to Suppliers	201.47	331.98
Balance with Statutory Authorities	321.14	356.98
Pre-paid Expenses	37.19	27.68
Gratuity Planned Assets (Net)	-	20.08
Others	17.29	4.74
Total	664.11	745.19

17.1 Balance with statutory authorities includes balances with GST, Excise Dept. etc.

17.2 Others include Tour Advances, Discount Receivable, etc.

17.3 Advance to Suppliers include ₹ 0.66 million (P.Y. : ₹ 1.35 million) to related parties. (refer note 43)

18. Equity Share Capital

(₹ in Million)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Authorised Share Capital		
21,00,00,000 (P.Y. : 21,00,00,000) Equity Shares of ₹2/- each	420.00	420.00
2,75,00,000 (P.Y. : 2,75,00,000) Preference Share of ₹ 10/- each	275.00	275.00
	695.00	695.00
Issued, Subscribed & Paid up Share Capital		
12,24,81,665 (P.Y. : 12,23,30,165) Equity shares of ₹ 2/- each	244.96	244.66
Total	244.96	244.66

18.1 Reconciliation of the number of Shares

	Year ended 31st March 2022	Year ended 31st March 2021
	No. of Shares	No. of Shares
Equity Shares		
Opening balance	122,330,165	122,330,165
Issue of Shares under ESOP	151,500	-
Closing balance	122,481,665	122,330,165

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

18.2 Rights, preferences and restrictions attached to shares

Equity shares

The Parent Company has only one class of equity shares having a par value of ₹ 2/- per share. Each shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

Preference shares

The Parent Company has only one class of non-convertible, non-cumulative redeemable preference shares having a par value of ₹ 10/- per share. Each shareholder shall have a right to attend general meeting of the Company and vote on resolutions directly affecting their interest. In the event of liquidation, the preference shareholders shall be entitled to a preferential right of return of the amount paid up on the shares, but shall not have any further right or claim over the surplus asset of the Company. The holder of these shares shall be entitled to receive dividend at fixed rate i.e. @ 9% on paid up value of shares subject to declaration of dividend by the parent Company but do not have right to participate in surplus profit.

18.3 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company.

Name of Shareholder	As at 31st March 2022		As at 31st March 2021	
	No. of Shares	% held	No. of Shares	% held
Equity Shares :				
Mr. Suresh J. Patel	3,71,12,857	30.30	3,71,12,857	30.34
Mr. Bhavin S. Patel	1,04,96,342	8.57	1,04,96,342	8.58
Mr. Ankit S. Patel	72,61,072	5.93	72,61,072	5.94
Samyaktva Construction LLP	67,50,000	5.51	52,75,000	4.31
Shakuntala J Patel	66,64,740	5.44	62,64,740	5.45

18.4 Promoters' Shareholding as on 31st March 2022

(₹ in Million)

Shares held by promoters at the end of the year			% Change during the Year
Promoter's Name	No. of Shares	% of Total Shares	
1. Suresh J. Patel	37,112,857	30.30	(0.13)
2. Bhavin S. Patel	10,496,342	8.57	(0.12)
3. Ankit S. Patel	7,261,072	5.93	(0.17)
4. Meenaben S. Patel	5,228,960	4.27	-
5. Ramesh P. Patel	385,299	0.31	-
6. Rakesh R. Patel	44,442	0.04	-
7. Bansibhai M. Patel	31,680	0.03	-
8. Ramesh Prabodhchandra Patel HUF	24,390	0.02	-
9. Shakuntala J. Patel	6,664,740	5.44	(0.18)
10. Ramesh D. Patel	4,945,880	4.04	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

18.5 Promoters' Shareholding as on 31st March 2021

(₹ in Million)

Shares held by promoters at the end of the year			% Change during the Year
Promoter's Name	No. of Shares	% of Total Shares	
1. Suresh J. Patel	37,112,857	30.34	-
2. Bhavin S. Patel	10,496,342	8.58	-
3. Ankit S. Patel	7,261,072	5.94	-
4. Meenaben S. Patel	5,228,960	4.27	-
5. Ramesh P. Patel	385,299	0.31	-
6. Rakesh R. Patel	44,442	0.04	-
7. Bansibhai M. Patel	31,680	0.03	-
8. Ramesh Prabodhchandra Patel HUF	24,390	0.02	-
9. Shakuntala J. Patel	6,664,740	5.45	15.22
10. Ramesh D. Patel	4,945,880	4.04	-

18.6 The Board of directors of the Parent Company at its meeting held on 27th May 2022 has recommended a dividend of ₹ 0.80 (Eighty paise) per equity share for the financial year ended 31st March 2022. The proposal is subject to the approval of shareholders at the annual general meeting and has not been included as a liability in these consolidated financial statements.

19. Other Equity

(₹ in Million)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Capital Reserve on Consolidation	0.18	0.18
Capital Reserve		
At the commencement of the year	568.56	76.12
Add : Addition due to forfeiture of Share Warrants	-	431.25
Add : Addition due to acquisition of SCC Unit - XII (refer note 53)	-	61.19
At the end of the year	568.56	568.56
Capital Redemption Reserve	289.67	289.67
Securities Premium		
At the commencement of the year	2,406.16	2,406.16
Add : Premium on shares issued under ESOP	11.27	-
At the end of the year	2,417.43	2,406.16
Employee Stock Options Outstanding Account (refer note 50)	11.32	21.98
General Reserve	138.86	138.86
Retained Earnings		
At the commencement of the year	6,152.46	5,733.39
Sen-er's Non-Controlling Interest adjusted	(308.02)	-
Add : Profit during the year	1,076.67	419.82
Add : Remeasurements of Net Defined Benefit Plans (Net of tax)	(13.27)	(0.75)
	6,907.84	6,152.46
Less : Appropriations :		
Dividend on Equity Shares	97.98	-
At the end of the year	6,809.86	6,152.46
Other Comprehensive Income		
Foreign Currency Translation Reserve	77.15	(8.33)
Total	10,313.03	9,569.54

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

19.1 Nature and purpose of Reserves

Capital Reserve on Consolidation

Capital Reserve on Consolidation represents the additional net assets received by the Parent pursuant to acquisition of 70% holding in SPS Processors Pvt. Ltd.

Capital Reserve

Capital reserve is utilised in accordance with provision of the Act.

Capital Redemption Reserve

Capital redemption reserve created during redemption of Preference Shares and is a non-distributable reserve.

Securities Premium

Securities Premium has been created consequent to issue of shares at premium. These reserves can be utilised in accordance with Section 52 of the Companies Act, 2013.

General Reserve

General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes.

Retained Earnings

Retained earnings represents the amount of profits of the Group earned till date net of appropriation that can be distributed by the Company as dividends considering the requirements of the Companies Act, 2013.

20. Borrowings (Non-Current)

(₹ in Million)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Secured		
Term loan from Banks	2,137.36	1,064.00
Total	2,137.36	1,064.00

Nature of security and terms of repayment for non-current secured borrowings:

The HDFC term loan amounting to ₹ 1,064 million (P. Y. 1,064 million) carries an interest rate of 6.70% (P. Y. 6.70%)

The EXIM term loan amounting to ₹ 946.04 million (P. Y. NIL) carries an interest rate of 6.75%

The term loan payable to Union bank amounting to ₹ 127.32 million (P. Y. NIL) carries an interest rate of 7.25%

These facilities are secured by first paripassu mortgage /hypothecation and charge on all the Company's movable and immovable properties created or acquired at

- Unit VII - Block No. 804, Village - Dudhwada, Ta. Padra, Dist. Vadodra, Gujarat
- Unit VIII - Block No. 106, 108, Village: Ekalbara, Ta. Padra, Dist. Vadodra, Gujarat
- Unit X - Plot No. 525, Village: Dudhwada, Ta: Padra, Dist. Vadodra, Gujarat
- Saykha - Plant / Unit at Saykha project
- Plant / Unit at SIEL Chemical complex

A second paripassu charge on all the Parent Company's current assets and receivables, including book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future

The loan is repayable in 23 quarterly instalments, the first instalment payable in June 2023 and the last installment payable in December 2028.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

21. Provisions (Non-Current)

(₹ in Million)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Provision for Gratuity (refer note 45)	2.43	37.88
Total	2.43	37.88

22. Deferred Tax Liabilities (Net)

(₹ in Million)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Deferred Tax Liabilities		
Property, Plant and Equipment	520.53	487.92
Fair Value of Quoted Equity Shares	0.17	-
Expense claimed for tax purpose on payment basis	-	3.75
Deferred Tax Assets		
Expense claimed for tax purpose on payment basis	(5.70)	-
Allowance for Doubtful Debts	(0.46)	(0.20)
Expenditure covered by section 35D of Income Tax Act, 1961	-	(3.26)
Fair Value of Quoted Equity Shares	-	(0.27)
Fair Value of Forward Contracts	(0.01)	(0.17)
Total	514.53	487.77

23. Borrowings (Current)

(₹ in Million)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Secured		
Working Capital Loans from Banks	2,479.42	1,919.91
Unsecured		
Working Capital Loans from Banks	639.99	435.85
Commercial Papers (refer note 23.2)	500.00	-
Loans From Directors	0.24	46.82
	3,619.65	2,402.58
Borrowing Bill Discounted (Secured)	997.98	1,065.91
Total	4,617.63	3,468.49

23.1 Secured Loan : Working capital loans from banks are secured by hypothecation of inventories, book debts and bills drawn under letters of credit and confirmed contracts and collaterally secured by equitable mortgage of immovable property and hypothecation of Plant & Machinery of Unit-7, Unit-8 and Unit-10 of the Parent Company.

Rate of interest is from 0.38% to 7.60% (P.Y. 0.66% to 8.75%)

23.2 Maximum amount outstanding towards Commercial Papers is ₹ 500.00 million (P.Y. : NIL)

23.3 There were no discrepancies between the quarterly returns/statements submitted to bank for current assets given as security and the books of account for the respective quarter.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

24. Trade Payables

(₹ in Million)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
(a) Total outstanding dues of Micro Enterprises and Small Enterprises	99.43	108.59
(b) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	2,442.34	2,115.67
Total	2,541.77	2,224.26

24.1 Trade Payables include ₹ 63.63 million (P.Y. : ₹ 30.02 million) to related parties (refer note 43)

25. Other Financial Liabilities (Current)

(₹ in Million)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Trade Deposits	19.87	25.20
Unclaimed Dividends	3.93	3.36
Payable for Purchase of Property, Plant and Equipments	181.55	44.30
Payable towards purchase of equity stake in a subsidiary	316.48	-
Derivative Liabilities	0.06	0.68
Other Payables	15.23	8.86
Total	537.12	82.40

25.1 Other Payables include interest payable and payable to employees.

26. Other Current Liabilities

(₹ in Million)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Advance Received from Customers	29.57	206.57
Advance Received against Sale of Property	106.40	6.00
Statutory Liabilities	135.06	69.80
Other Liabilities	0.47	0.07
Total	271.50	282.44

26.1 Advance received against sale of property include ₹ 38.00 million (P.Y. : ₹ 6.00 million) to related parties (refer note 43)

26.2 Statutory liabilities represent amounts payable towards GST, TDS etc.

27. Provisions (Current)

(₹ in Million)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Provision for Gratuity (refer note 45)	0.94	13.08
Provision for Leave Encashment	8.77	11.32
Total	9.71	24.40

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

28. Income Tax Liabilities (Net)

(₹ in Million)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Income Tax Liabilities (Net)	65.74	17.86
	65.74	17.86

29. Revenue From Operations

(₹ in Million)

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2022
Sale of products	20,267.84	12,209.29
Other Operating Income		
Export Incentives	192.47	45.08
Scrap Sales	35.40	9.96
Oter Operating Income	10.50	-
Total	238.37	55.04
Total Revenue From Operations	20,506.21	12,264.33

30. Other Income

(₹ in Million)

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2022
Interest Income		
On Deposits	4.93	3.18
On Others*	113.45	73.10
Profit on Sale of Investments measured through profit and loss (Net)	40.10	0.02
Fair Value Gain on Investments measured through profit or loss	0.42	32.44
Reversal of Allowance for Doubtful Debts	0.08	3.58
Profit on Sale of Property, Plant & Equipment (Net)	7.07	0.35
Recovery of Bad Debts	0.23	-
Dividend Income	1.68	1.48
Exchange Rate Difference (Net)	-	39.87
Liabilites no Longer Required Written Back	0.03	-
Other Income	5.45	5.32
Total	173.44	159.34

* Other interest income includes interest income received from Inter Corporate Loan, Electricity Companies, etc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

31. Cost of Materials Consumed

(₹ in Million)

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2022
Opening Stock	1,039.58	565.94
Add : Addition due to Acquisition of SCC (refer note 53)	-	27.45
Add: Purchases during the year	12,510.48	8,083.78
	13,550.06	8,677.17
Less : Closing Stock	1,480.33	1,039.58
Total	12,069.73	7,637.59

32. Purchase of Stock In Trade

(₹ in Million)

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2022
Purchase of Stock in Trade	303.27	644.29
Total	303.27	644.29

32. Changes In Inventories of Finished Goods, Stock in Process & Stock in Trade

(₹ in Million)

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2022
Inventories at the end of the year		
Finished Goods	795.69	713.57
Stock In Process	1,867.14	1,020.05
Stock - in Trade	50.76	137.20
Total (A)	2,713.59	1,870.82
Inventories at the beginning of the year		
Finished Goods	713.57	553.48
Stock In Process	1,020.05	900.34
Stock - in Trade	137.20	62.68
Total (B)	1,870.82	1,516.50
Addition due to Acquisition of SCC (refer note 53)		
Finished Goods	-	7.44
Stock In Process	-	14.57
Total (C)	-	22.01
Changes in Inventories (B)+(C)-(A)	(842.77)	(332.31)
Changes In Inventories Of Finished Goods, Stock In Process & Stock in Trade	(842.77)	(332.31)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

34. Employee Benefit Expenses

(₹ in Million)

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
Salaries, Wages & Bonus	986.47	687.61
Contribution to Provident & Other Funds (refer note 45)	50.07	35.78
Employee Share Based Payments (refer note 50)	(0.59)	10.91
Staff Welfare Expenses	68.60	43.18
Total	1,104.55	777.48

35. Finance Costs

(₹ in Million)

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
Bank Interest	242.72	69.31
Other Interest Expenses	31.77	73.99
Amortisation of Borrowing Costs	0.26	-
Other Borrowing Costs	20.02	23.18
Total	294.77	166.48

36. Depreciation And Amortisation Expense

(₹ in Million)

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
Depreciation on Tangible Assets (refer note 2)	454.34	291.68
Amortisation of Right of Use of Assets (refer note 3)	1.09	1.84
Amortisation on Intangible Assets (refer note 4)	10.74	11.33
Total	466.17	304.85

36.1. BAD DEBTS WRITTEN OFF

Bad Debts written off during the year ended 31st March 2021, being one-off item in the history of the Parent Company has been shown separately in the Statement of Profit and Loss of previous year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

37. Other Expenses

(₹ in Million)

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
Stores Consumption	486.19	58.66
Power & Fuel Consumption	2,554.52	762.33
Repairs to		
Machinery	361.07	239.90
Building	36.39	58.73
Others	2.34	3.02
Pollution Control Expenses	223.42	238.52
Rent & Taxes	25.72	12.88
Labour Charges	392.70	295.61
Insurance Expenses	39.27	28.55
Corporate Social Responsibility Expenses	26.16	35.72
Directors' Sitting fees	0.94	0.72
Travelling & Vehicle Expense	42.70	22.26
Payment to Auditors	3.28	3.44
Legal & Professional Fees	103.47	83.53
Loss on Sale of Property, Plant & Equipment	0.02	1.51
Exchange Rate Difference (Net)	63.70	37.60
Packing Material Consumption	276.59	147.16
Freight & Handling Charges	632.84	233.86
Advertisement & Business Promotion Expenses	15.77	12.50
Sales Commission	196.97	77.95
Bad Debts written off	-	1.32
Other Expenses	191.51	142.43
Total	5,675.57	2,498.20

37.1. Exceptional Items

Exceptional item for the year ended 31st March 2022 includes exchange rate fluctuations recorded at the subsidiary i.e. Sen-er Boya, Turkey, consequent to sharp depreciation of Turkish Lira (TRY) against the US dollar and Indian Rupees as at 31st December 2021. The US Dollar against TRY was 8.8433 and 13.0009 and the TRY against ₹ was 8.3484 and 5.5937 as at 30th September 2021 and 31st December 2021 respectively. The exchange rate fluctuations largely include the restatement of USD Loan, Trade liabilities and the restatement of the foreign operations of the Group in Turkey as at 31st December 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

38. Fair Value Measurement

The carrying value of financial instrument classification by categories

(₹ in Million)

Particulars	As at 31st March 2022	As at 31st March 2021
Financial Assets		
Financial Assets measured at fair value through profit and loss		
Investments in Quoted Equity Shares	1.45	63.04
Financial Assets measured at amortised cost		
Investments in Unquoted Equity Shares	1.27	1.37
Loans	65.02	49.34
Trade Receivables	5,896.29	4,676.72
Cash and Cash Equivalents	93.00	119.14
Other Bank Balances	58.48	43.72
Other Financial Assets	182.54	227.47
Total Financial Assets	6,298.05	5,180.80

(₹ in Million)

Particulars	As at 31st March 2022	As at 31st March 2021
Financial Liabilities		
Financial Liabilities measured at fair value through profit and loss		
Derivative Liabilities	0.06	0.68
Financial Liabilities measured at amortised cost		
Borrowings	6,754.99	4,532.49
Lease Liabilities	1.81	4.39
Trade Payables	2,541.77	2,224.26
Other Financial Liabilities	537.06	81.72
Total Financial Liabilities	9,835.69	6,843.54

Fair Value Hierarchy

(₹ in Million)

Financial Assets measured at fair value 31st March 2022	Level 1	Level 2	Level 3	Total
Financial Assets				
Measured at fair value through profit or loss				
Investments in quoted equity shares	1.45			1.45
Financial Liabilities				
Derivative Liabilities		0.06		0.06

(₹ in Million)

Financial Assets measured at fair value 31st March 2021	Level 1	Level 2	Level 3	Total
Financial Assets				
Measured at fair value through profit or loss				
Investments in quoted equity shares	63.04			63.04
Financial Liabilities				
Derivative Liabilities		0.68		0.68

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

The Group has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, loans, other financial assets, borrowings, trade payables and other financial liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

- ✓ the use of quoted market prices or dealer quotes for similar instruments
- ✓ the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- ✓ The fair value of investments in Mutual Fund Units is based on Net Asset Value ("NAV") as stated by the issuers of these mutual fund units in the published statements as at the Balance Sheet Date. NAV represents the price at which the issuer will issue further units of Mutual Fund and the price at which issuers will redeem such units from investors.

39. Financial Risk Management

The Group's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the Group is exposed to and how the Group manages the risk and the impact of hedge accounting in the financial statements

Risk

Credit Risk

Liquidity Risk

Market Risk

- Foreign Exchange Risk
- Interest Rates
- Security Price

(A) Credit Risk Management

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, other balances with banks, loans and other receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Credit risk arising from investment in mutual funds, derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies.

The Group is making provision on trade receivables based on Expected Credit Loss Model (ECL) as below:

(₹ in Million)

No. of Days for which amount is due	<=60 Days	61-120 Days	121-180 Days	181-360 Days	>360 Days
% of Provision	0%	0.25%	0.50%	0.75%	1%

Reconciliation of loss allowance provision

(₹ in Million)

Reconciliation of Loss Allowance	FY 2021-22	FY 2020-21
Opening Balance	6.11	9.69
(Reversal) / Recognition of loss allowance measured as per ECL	(0.08)	170.99
Write off Bad Debts	-	(174.57)
Closing Balance (As reported in Note 12)	6.03	6.11

(B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability at all times.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial instruments as on 31st March 2022

(₹ in Million)

	Within 12 months	After 12 months
Financial Assets		
Investments		2.72
Trade Receivables	5,896.29	-
Other Bank Balances	58.48	-
Loans	47.81	17.21
Other Financial Assets	9.74	172.80
Financial Liabilities		
Borrowings	4,617.63	2,137.36
Lease Liabilities	0.80	1.01
Trade Payables	2,541.77	-
Other Financial Liabilities	537.12	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Maturities of financial instruments as on 31st March 2021

(₹ in Million)

	Within 12 months	After 12 months
Financial Assets		
Investments		64.41
Trade Receivables	4,676.72	-
Other Bank Balances	43.72	-
Loans	28.26	21.08
Other Financial Assets	7.75	219.72
Financial Liabilities		
Borrowings	3,468.49	1,064.00
Lease Liabilities	1.29	3.10
Trade Payables	2,224.26	-
Other Financial Liabilities	82.40	-

(C) Market Risk Management

i) Foreign Currency Risk

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EUR, TL, RMB and TAKA. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (₹). The risk is measured through a forecast of highly probable foreign currency cash flows.

(A) Foreign currency risk exposure

(₹ in Million)

Particulars	31st March 2022					
	USD	EUR	GBP	TL	RMB	TAKA
Financial Assets						
Trade Receivables	151.80	0.05	-	966.78	24.49	
Cash & Cash Equivalents				70.29	5.95	12.67
Other Receivables				12.87	1.93	
Financial Liabilities						
Trade Payables	48.96	0.01	1.08	2.09	0.67	
Other Payables				8.83	1.79	
Lease Liabilities				3.50		
Borrowings	200.38			682.00		
Net Exposure	(97.54)	0.04	(1.08)	353.52	29.92	12.67

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(₹ in Million)

Particulars	31st March 2021					
	USD	EUR	GBP	TL	RMB	TAKA
Financial Assets						
Trade Receivables	9.80	-	-	50.15	3.78	-
Cash & Cash Equivalents	-	-	-	4.40	0.35	3.52
Other Receivables	-	-	-	0.80	-	-
Financial Liabilities						
Trade Payables	4.73	0.00	-	4.50	0.09	-
Other Payables	-	-	-	0.12	-	-
Lease Liabilities	-	-	-	0.50	-	-
Borrowings	27.92	-	-	19.98	-	-
Net Exposure	(22.85)	(0.00)	-	30.25	4.04	3.52

(B) Foreign currency forward contract outstanding as at the Balance Sheet date.

(₹ in Million)

	Buy/Sell	31st March 2022	31st March 2021
Forward contact USD (in million)	Sell	1.32	3.88

The forward contracts have been entered into to hedge the foreign currency risk on trade receivables and borrowings.

(C) Sensitivity (+/-5%)

(₹ in Million)

Currency	FY 2021-22			FY 2020-21		
	Movement in Rate	Impact on PAT	Impact on Other Equity	Movement in Rate	Impact on PAT	Impact on Other Equity
USD	5.00%	(27.66)	(27.66)	5.00%	(62.84)	(62.84)
USD	-5.00%	27.66	27.66	(5.00%)	62.84	62.84
EUR	5.00%	0.01	0.01	5.00%	0.00	0.00
EUR	-5.00%	(0.01)	(0.01)	(5.00%)	0.00	0.00
GBP	5.00%	(0.40)	(0.40)	5.00%	-	-
GBP	-5.00%	0.40	0.40	(5.00%)	-	-
TL	5.00%	6.84	6.84	5.00%	10.03	10.03
TL	-5.00%	(6.84)	(6.84)	(5.00%)	(10.03)	(10.03)
RMB	5.00%	1.34	1.34	5.00%	1.69	1.69
RMB	-5.00%	(1.34)	(1.34)	(5.00%)	(1.69)	(1.69)
TAKA	5.00%	0.00	0.00	5.00%	0.11	0.11
TAKA	-5.00%	(0.00)	(0.00)	(5.00%)	(0.11)	(0.11)

ii) Cash flow and fair value interest rate risk

The Group's interest rate risk arises mainly from borrowings with variable rates, which expose the Group to cash flow interest rate risk. During 31st March 2022 and 31st March 2021, the Group's borrowings at variable rate were mainly denominated in ₹ & USD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

(₹ in Million)

Particulars	31st March 2022	31st March 2021
Variable Rate borrowings	6,254.75	4,485.67
Fixed Rate Borrowings	500.00	-

At the end of reporting period the Group had the following variable rate borrowings.

Particulars	31st March 2022			31st March 2021		
	Average Interest Rate	Balance	%of Total Loan	Average Interest Rate	Balance	%of Total Loan
Cash Credit Facility	7.56%	13.28	0.21%	7.77%	15.30	0.34%
Short Term Financing Facility	15.78%	352.91	5.64%	11.36%	131.96	2.94%
Working Capital Loan Facility	4.92%	2,232.83	35.70%	6.98%	1,233.01	27.49%
Packing Credit Facility	1.05%	376.77	6.02%	1.37%	789.64	17.60%
Buyers Credit Facility	0.63%	143.62	2.30%	0.99%	185.85	4.14%
Bills Discounting Facility	1.09%	997.98	15.96%	1.37%	1,065.91	23.76%
Term Loan	6.75%	2,137.36	34.17%	6.70%	1,064.00	23.72%
Net Exposure		6,254.75	100.00%		4,485.67	100.00%

At the end of reporting period the Group had the following fixed rate borrowings.

Particulars	31st March 2022			31st March 2021		
	Average Interest Rate	Balance	%of Total Loan	Average Interest Rate	Balance	%of Total Loan
Commercial Paper	4.61%	500.00	100.00%	-	-	-
Net Exposure		500.00	100.00%		-	0.00%

Sensitivity (+/- 1%)

(₹ in Million)

Particulars	Movement in Rate	As at 31st March 2022	As at 31st March 2021
Interest Rates	1.00%	46.80	33.57
Interest Rates	(1.00%)	(46.80)	(33.57)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

iii) Security Price Risk

The Group's exposure to securities price risk arises from investments held by the Group and classified in the balance sheet at fair value through profit or loss.

To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

Sensitivity (+/- 5%)

(₹ in Million)

Particulars	Investment in Quoted Securities			
	31st March 2022		31st March 2021	
Increase/(decrease)	5.00%	(5.00%)	5.00%	(5.00%)
Impact on PAT	0.05	(0.05)	2.36	(2.36)

40. Capital Management

The Group's objectives when managing capital are to

- ✓ safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- ✓ Maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Group monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet, including non-controlling interests).

(₹ in Million)

Particulars	31st March 2022	31st March 2021
Net Debt (₹ in million)	6,661.99	4,413.35
Total Equity (₹ in million)	10,523.51	9,860.27
Debt-Equity Ratio	0.63	0.45

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

41. Income Taxes

(₹ in Million)

Particulars	31st March 2022	31st March 2021
Current Tax	438.60	126.93
Taxes of earlier years	(3.94)	(154.83)
Deferred Tax	(0.84)	184.07
Total Tax Expenses (excluding deferred tax benefit on OCI)	433.82	156.17

Reconciliation of tax expenses and the accounting profit multiplied by Tax Rate

(₹ in Million)

Particulars	31st March 2022	31st March 2021
Profit Before Tax	1,420.45	553.84
Statutory Tax Rate (%)	25.168%	25.168%
Tax at Statutory rate	357.50	139.39
Effect of income that is exempt from tax	-	(0.37)
Effect of expenses that are not deductible in determining taxable profit	1.05	16.97
Effect of tax on special rate income	(5.89)	(4.39)
Reversal of MAT Credit	4.72	-
Reversal of DTA on Amalgamation	-	146.23
Deferred Tax on other comprehensive income	(1.60)	(0.74)
Effect of Interest on Tax	-	-
Others	81.98	13.91
	437.76	311.00
Adjustments recognised in the current year in relation to the current tax of prior years	(3.94)	(154.83)
Income tax expense recognised in profit or loss	433.82	156.17
Effective Tax Rate	30.54%	28.20%

Consequent to approval of Scheme of Amalgamation, the carried forward losses of Trion Chemicals Pvt. Ltd. ("Trion"), have been considered by the Parent Company in the previous year. Accordingly, there was a reversal of current tax provision of the Parent Company, for earlier year of ₹ 144.57 million and deferred tax asset of ₹ 146.23 million of Trion. The effect of these reversals had been given during the year ended 31st March 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

41.1 Movement in deferred tax liabilities

(₹ in Million)

Particulars	As at 1st April 2021	Credit / (charge) in the Statement of Profit and Loss	Credit / (charge) in Other Comprehensive Income	As at 31st March 2022
Deferred Tax Assets/(Liabilities)				
Property, Plant and Equipment	(487.92)	(32.61)	-	(520.53)
Fair Value of Forward Contracts	0.17	(0.16)	-	0.01
Expense claimed for tax purpose on payment basis	(3.75)	10.91	(1.46)	5.70
Expenditure covered by section 35D of Income Tax Act, 1961	3.26	(3.26)	-	-
Fair Value of Quoted Equity Shares	0.27	(0.44)		(0.17)
Allowance for Doubtful Debts	0.20	0.26	-	0.46
Total	(487.77)	(25.30)	(1.46)	(514.53)

41.2 Movement in deferred tax assets

(₹ in Million)

Particulars	As at 1st April 2021	Credit / (charge) in the Statement of Profit and Loss	Credit / (charge) in Other Comprehensive Income	As at 31st March 2022
Deferred Tax Assets/(Liabilities)				
Property, Plant and Equipment	6.16	(5.73)	-	0.43
Unabsorbed Depreciation & c/f loss	52.15	30.68	-	82.83
Others	0.64	5.85	-	6.49
Expense claimed for tax purpose on payment basis	0.15	0.62	(0.14)	0.63
Unused Tax Credit	4.72	(4.72)	-	-
Expenditure covered by section 43B of Income Tax Act, 1961	0.47	(0.47)	-	-
Allowance for Doubtful Debts	0.55	(0.09)	-	0.46
Total	64.84	26.14	(0.14)	90.84

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

42. Segment Information

The Group's primary segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system and secondary segment is identified based on the geographical location of the customers as per IND AS 108 – 'Operating Segments'. The Group is principally engaged in a single business segment viz., "Dyes, Dyes Intermediates and Basic Chemicals".

The geographical segment has been considered for disclosure as secondary segment.

Two secondary segments have been identified based on the geographical locations of customers i.e. domestic and export. Information about geographical segments are as below.

1. Information about Geographical Areas

Particulars	FY 2021-22			FY 2020-21		
	Domestic Operations	External Operations	Total	Domestic Operations	External Operations	Total
Segment Revenue	14,082.25	6,423.96	20,506.21	8,511.32	3,753.01	12,264.33
Carrying Cost of Segment Assets	19,042.69	2,180.42	21,223.11	15,789.50	1,764.66	17,554.16

2. Information about Major Customers

No customers individually accounted for 10% or more revenue during financial year ending on 31st March 2022 and 31st March 2021

Particulars	FY 2021-22	FY 2020-21
Revenue from Top Customer	6%	9%
Revenue from Top 5 Customers	15%	27%

43. Related Party Transactions:

(a) List of Related Parties

I. Key Management Personnel (KMP)

1	Mr. Suresh J Patel	Chairman & Managing Director
2	Mr. Bhavin S. Patel	Executive Director
3	Mr. Ankit S. Patel	Executive Director
4	Mr. Mayur B. Padhya	Chief Financial Officer
5	Mr. Ashutosh B. Bhatt	Company Secretary
6	Mr. Nalin Kumar	Independent Director
7	Ms. Neha Huddar	Independent Director
8	Mr. Sunil K. Mehta	Independent Director
9	Mr. Ramprasad Shrivastva	Independent Director (Upto 24th January 2021)
10	Mr. Mayank K. Mehta	Independent Director (w.e.f. 9th February 2021)
11	Mr. Rajrshi Ghosh	Director (w.e.f. 27th May 2020)

II. Enterprise under significant influence of key management personnel (Enterprise)

1	Shanti Inorgo Chem (Guj.) Pvt. Ltd.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

III. Associate Concern (AC)

1 Plutoeco Enviro Association (w.e.f. 27th October 2020)

a) Transactions with related parties

(₹ in Million)

Related party disclosure	Relationship	FY 2021-22	FY 2020-21
Remuneration			
Mr. Suresh J. Patel	KMP	16.20	16.20
Mr. Bhavin S. Patel	KMP	10.80	10.80
Mr. Ankit S. Patel	KMP	10.80	10.80
Mr. Rajarshi Ghosh	KMP	2.31	2.01
Mr. Mayur B. Padhya	KMP	5.91	5.12
Mr. Ashutosh B. Bhatt	KMP	1.36	1.09
Employees Stock Option			
Mr. Mayur B. Padhya	KMP	0.85	-
Mr. Ashutosh B. Bhatt	KMP	0.15	-
Director Commission			
Mr. Suresh J. Patel	KMP	57.10	21.00
Mr. Bhavin S. Patel	KMP	38.20	13.50
Mr. Ankit S. Patel	KMP	38.20	13.50
Directors' Sitting Fees			
Mr. Nalin Kumar	KMP	0.27	0.20
Ms. Neha Huddar	KMP	0.24	0.19
Mr. Sunil K. Mehta	KMP	0.27	0.20
Mr. Ramprasad Shrivastava	KMP	-	0.10
Mr. Mayank Mehta	KMP	0.16	0.03
Capital Advance Given			
Plutoeco Enviro Association	AC	8.96	1.58
Loan Received			
Mr. Suresh J. Patel	KMP	-	20.90
Mr. Bhavin S. Patel	KMP	0.60	0.60
Mr. Ankit S. Patel	KMP	-	0.60
Loan Repaid			
Mr. Suresh J. Patel	KMP	1.50	19.45
Mr. Bhavin S. Patel	KMP	0.60	0.64
Mr. Ankit S. Patel	KMP	0.01	0.61
Advance Received against sale of property			
Plutoeco Enviro Association	AC	32.00	6.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(₹ in Million)

Related party disclosure	Relationship	FY 2021-22	FY 2020-21
Purchases of Materials			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	7.57	2.98
Amortisation of Right of Use of Assets			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	-	0.10
Interest Expense on Lease Liability			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	-	-
Purchases of Property, Plant & Equipment			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	-	52.54
Dividend Paid			
Mr. Suresh J. Patel	KMP	29.69	-
Mr. Bhavin S. Patel	KMP	8.40	-
Mr. Ankit S. Patel	KMP	5.81	-
Mr. Mayur B. Padhya	KMP	0.15	-
Mr. Ashutosh B. Bhatt	KMP	-	-
Ms. Neha Huddar	KMP	-	-
Mr. Sunil K. Mehta	KMP	0.16	-
Sales of Materials			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	9.02	12.90
Sales of Other Materials			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	1.80	-
Related Party Balances as at the year end.			
Amount Payable			
As Unsecured Loan			
Mr. Suresh J. Patel	KMP	0.13	1.63
Mr. Bhavin S. Patel	KMP	0.02	0.02
Mr. Ankit S. Patel	KMP	0.08	0.09
As Advances Received for sale of property			
Plutoeco Enviro Association	AC	38.00	6.00
As Trade Payables			
Mr. Suresh J. Patel	KMP	24.61	12.52
Mr. Bhavin S. Patel	KMP	18.28	8.05
Mr. Ankit S. Patel	KMP	19.87	8.36
Mr. Rajarshi Ghosh	KMP	0.13	0.11
Mr. Mayur B. Padhya	KMP	0.06	0.30
Mr. Ashutosh B. Bhatt	KMP	0.08	0.08

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(₹ in Million)

Related party disclosure	Relationship	FY 2021-22	FY 2020-21
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	0.60	0.60
As Investment			
As Equity shares			
Plutoeco Enviro Association	AC	0.03	-
Amounts Receivable			
As Trade Receivables			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	2.13	3.21
As Advance to Suppliers			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	0.66	1.35
As Capital Advance			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	3.88	3.88
Plutoeco Enviro Association	AC	10.55	1.58

Notes :-

- (i) No amounts pertaining to related parties have been provided for as doubtful debts. Also no amounts have been written off or written back during the year.

44. Earnings per Share

Particulars	FY 2021-22	FY 2020-21
Net Profit after Tax as per statement of Profit and Loss (₹ in million)	1,076.67	419.82
Weighted average number of Equity Shares	122,446,799	122,330,165
Basic EPS (₹)	8.79	3.25
Diluted EPS (₹)	8.79	3.24
Nominal Value per Share (₹)	2	2
44.1 Details used in calculation of Diluted EPS		
Net Profit after Tax as per statement of Profit and Loss (₹ in million)	1,076.67	419.82
Nominal Value per Share (₹)	2	2
Weighted average number of Equity Shares used for Basic EPS	122,446,799	122,330,165
Share deemed to be issued in respect of employee options	63,852	219,334
Weighted average number of Equity Shares used for diluted EPS	122,510,651	122,549,499

Notes :-

For the year ended 31st March 2021, number of options (Equity Share Warrants* & Employee Stock Options@) to purchase equity shares had an anti-dilutive effect.

* Refer note 54

@ Refer note 50

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

45. Employee Benefits

Defined Contribution Plan	FY 2021-22	FY 2020-21
Employer's contribution to Provident Fund	38.84	27.25

Defined Benefits Plan

Gratuity: The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India in the form of qualifying insurance policy.

The following table sets out the funded status of the gratuity plan and the amounts recognised in the Group's financial statements based on actuarial valuations being carried out As at 31st March 2022.

Balance sheet disclosures

(a) The amounts disclosed in the consolidated balance sheet and the movements in the defined benefit obligation over the year:

Particulars	FY 2021-22	FY 2020-21
Liability at the beginning of the year	70.84	63.25
Interest Costs	5.94	3.89
Current Service Costs	11.97	9.45
Liabilities assumed in acquisition of SCC	50.96	-
Benefits paid	(3.78)	(1.97)
Benefits paid by the Company	(14.32)	-
Actuarial (Gain)/Loss on obligations due to change in		
- Demography	-	-
- Financials	(3.55)	0.79
- Experience	(3.31)	(4.57)
Liability at the end of the year	114.75	70.84

(b) Movements in the fair value of plan assets

Particulars	FY 2021-22	FY 2020-21
Fair value of plan assets at the beginning of the year	93.69	61.88
Interest Income	6.37	4.34
Expected return on plan assets	(0.58)	(0.82)
Contributions	15.68	30.26
Benefits paid	(3.78)	(1.97)
Fair value of plan assets at the end of the year	111.38	93.69

(c) Net liability disclosed above relates to

Particulars	FY 2021-22	FY 2020-21
Fair value of plan assets at the end of the year	111.38	93.69
Liability as at the end of the year	114.75	70.84
Net (Liability)/Asset	(3.37)	22.85
Non-Current Portion	(2.43)	2.77
Current Portion	(0.94)	20.08

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(d) Balance Sheet Reconciliation

Particulars	FY 2021-22	FY 2020-21
Opening Net liability / (Asset)	(22.85)	1.37
Liabilities assumed in an amalgamation in the nature of purchase	50.96	-
-Expenses recognised in the statement of P&L	11.54	9.00
-Expenses recognised in the OCI	(6.28)	(2.96)
Benefits paid by the Company	(14.32)	-
-Employer's Contribution	(15.68)	(30.26)
Amount recognised in the Balance Sheet	3.37	(22.85)

Profit & Loss Disclosures

(a) Net interest Cost for Current period

Particulars	FY 2021-22	FY 2020-21
Interest Cost	5.94	3.89
Interest Income	6.37	4.34
Net interest Cost/(Income)	(0.43)	(0.45)

(b) Expenses recognised in the profit & loss

Particulars	FY 2021-22	FY 2020-21
Net Interest Cost	(0.43)	(0.45)
Current Service Costs	11.97	9.45
Expenses recognised in the profit & loss	11.54	9.00

(c) Expenses recognised in the Other Comprehensive Income

Particulars	FY 2021-22	FY 2020-21
Remeasurement		
Expected return on plan assets	0.58	0.82
Actuarial (Gain) or Loss	(6.86)	(3.78)
Net (Income) / Expenses recognised in OCI	(6.28)	(2.96)

Sensitivity Analysis

Particulars	FY 2021-22	FY 2020-21
Projected Benefit obligation on current assumptions		
Data effect of change in Rate of		
-Discounting by +0.5%	104.92	63.38
-Salary Increase by +0.5%	114.35	69.36
-Employee Turnover by +20%	110.71	67.06
Data effect of change in Rate of		
-Discounting by -0.5%	114.50	69.51
-Salary Increase by -0.5%	104.96	63.48
-Employee Turnover by -20%	108.27	65.52

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Significant Actuarial Assumptions

Particulars	FY 2021-22	FY 2020-21
Discount Rate	6.85%	6.85%
Salary Escalation	4.00%	4.00%
Attrition Rate	2%-10%	2%-10%
Mortality Tables used	IALM 2012-14	IALM 2012-14

The estimates of future salary increases, considered in actuarial valuation have taken into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The rate used to discount defined benefit obligation (both funded and unfunded) is determined by reference to market yield at the Balance Sheet date on high quality corporate bonds. In countries where there is no deep market in such bonds the market yields (at the Balance Sheet Date) on government bonds shall be used. The currency and term of the corporate bond or government bond shall be consistent with currency and estimated term of the post employment benefit obligations.

The estimated term of the Obligation is around 10.66 years (P.Y. 11.27 years). The yields on the government bonds as at the valuation date were 7.15% (P.Y. 6.75%). The expected contribution in the next year is ₹ 11.88 million.

46. Group Information

Sr. No.	Name of Company	Principal Place of Business	Effective proportion of Ownership Interest (%) (31-03-2022)	Effective proportion of Voting Power Held (%) (31-03-2022)
1	SPS Processors Pvt. Ltd.	India	70.00%	70.00%
2	Bodal Chemicals Trading Pvt. Ltd.	India	100.00%	100.00%
3	Bodal Chemicals Trading (Shijiazhuang) Co., Ltd.	China	100.00%	100.00%
4	Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd.	Turkey	100.00%	80.00%
5	Bodal Bangla Ltd.	Bangladesh	100.00%	100.00%
6	Plutoeco Enviro Association (w.e.f. 27th October 2020)	India	25.00%	25.00%

Sr. No.	Name of Company	Principal Place of Business	Effective proportion of Ownership Interest (%) (31-03-2021)	Effective proportion of Voting Power Held (%) (31-03-2021)
1	SPS Processors Pvt. Ltd.	India	70.00%	70.00%
2	Bodal Chemicals Trading Pvt. Ltd.	India	100.00%	100.00%
3	Bodal Chemicals Trading (Shijiazhuang) Co., Ltd.	China	100.00%	100.00%
4	Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd.	Turkey	80.00%	80.00%
5	Bodal Bangla Ltd.	Bangladesh	100.00%	100.00%
6	Plutoeco Enviro Association (w.e.f. 27th October 2020)	India	25.00%	25.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

47. Contingent Liabilities and Commitments

(a) Contingent Liabilities

(₹ in Million)

Particulars	As at 31st March 2022	As at 31st March 2021
1) Disputed matters in appeals/contested in respect of:		
i. Income Tax	84.76	69.94
ii. Excise	25.53	25.23

Future cash outflows in respect of the above are determinable only on receipt of Judgments /decisions pending with various forums/authorities. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Group has been legally advised that the additional demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

(₹ in Million)

Particulars	As at 31st March 2022	As at 31st March 2021
2) Letter of Credit issued by bankers and outstanding	871.65	214.92
3) Guarantee given by the Company	200.85	

(b) Commitments

(₹ in Million)

Particulars	As at 31st March 2022	As at 31st March 2021
i. Estimated amount of Contracts remaining to be executed on capital account and not provided for, net of advances.	2,393.05	208.25

48. Disclosure under Ind AS 116 'Leases'

(₹ in Million)

Particulars	FY 2021-22	FY 2020-21
Opening Balance	4.39	8.00
Finance Costs incurred during the year	0.26	0.48
Deletion of Right of Use Assets	-	(0.44)
Gain on termination of Lease Assets	-	(0.01)
Foreign Currency Translation Reserve	(1.50)	(1.87)
Net Payments of Lease Liabilities	(1.34)	(1.77)
Closing Balance	1.81	4.39

49. The COVID pandemic was unprecedented and had affected the operations as well as results of the Group. In the previous year the manufacturing facility of the Group which was shut down in the last week of March 2020 due to countrywide lockdown, resumed operations in a phased manner from the 11th May 2020.

Hence, figures of the year ended 31st March 2021 are not comparable with the year ended 31st March 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

50. Share Based Payments

- a) The Parent Company initiated the "ESOP 2017" for all eligible employees in pursuance of the special resolution approved by the Shareholders in the Annual General Meeting held on 23rd September 2017. The Scheme covers eligible employees (except promoters or those belonging to the promoters' group, independent directors and directors who either by himself or through his relatives or through any body-corporate, directly or indirectly holds more than 10% of the outstanding Shares of the Parent Company). Under the Scheme, the Nomination and Remuneration Committee of directors of the Parent Company, administers the Scheme and grants stock options to eligible directors or employees of the Parent Company. The Committee determines the employees eligible for receiving the options and the number of options to be granted subject to overall limit of 1,000,000 options.

Option	Number of shares granted	Grant Date	Expiry Date	Exercise Price (₹)	Fair Value of the option (₹)
ESOP 2017 – II	162,900	21-05-2019	20-05-2021	50	68.09
ESOP 2017 - III	163,900	12-02-2020	12-02-2022	10	66.40
ESOP 2017 - IV	183,500	14-08-2021	14-08-2022	10	98.20

- b) Compensation Expenses arising on account of the Share Based Payments

(₹ in Million)

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2022
Employee Share Based Payments (refer note 34)	(0.59)	10.91

The relevant details of the Scheme are as under:

Particulars	Grant II	Grant III	Grant IV
Date of Grant	21-05-2019	12-02-2020	14-08-2021
Date of Board/NRC Approval	21-05-2019	12-02-2020	14-08-2021
Date of Shareholders' Approval	23-09-2017	23-09-2017	23-09-2017
No. of Options Granted	162,900	163,900	183,500
Method of Settlement	Equity	Equity	Equity
Vesting Period	1 Year	1 Year	1 Year
Fair Value on the date of Grant	68.09	66.40	98.20
Exercise Period	1 Year	1 Year	1 Year
Vesting Conditions	As per Policy approved by Shareholders	As per Policy approved by Shareholders	As per Policy approved by Shareholders

Set out below is a summary of options granted under the plan:

Particulars	Grant II	Grant III	Grant IV
Options Outstanding at the beginning of the year	162,900	163,900	163,900
Options granted during the year	-	-	-
Options exercised during the year	-	151,500	-
Options lapsed during the year	162,900	12,400	-
Options Outstanding at the end of the year	-	-	163,900

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Particulars	Grant II	Grant III	Grant IV
Date of Grant	21-05-2019	12-02-2020	14-08-2021
Stock Price at the date of grant	115.40	76.45	107.55
Exercise Price	50	10	10
Expected Volatility	42.83%	46.11%	48.40%
Expected Life of the Option	1 Year	1 Year	1 Year
Risk Free Interest Rate	7.30%	7.74%	6.79%
Weighted average fair value of options granted during the year	68.09	66.40	98.20

51. Additional information, as required under Schedule III to the Companies Act, 2013 of enterprises Consolidated as Subsidiary / Associate

Name of Entities	Net Assets i.e. total assets minus total liabilities		Share in Profit / (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount (₹ in million)	As % of consolidated profit or loss	Amount (₹ in million)	As % of consolidated profit or loss	Amount (₹ in million)	As % of consolidated profit or loss	Amount (₹ in million)
Parent								
Bodal Chemicals Ltd.	106.01%	11,192.00	137.66%	1,358.23	4.82%	4.34	126.54%	1,362.57
Subsidiary								
SPS Processors Pvt. Ltd.	(1.09%)	(114.94)	(11.62%)	(114.65)	0.72%	0.65	(10.59%)	(114.00)
Bodal Chemicals Trading (Shijiazhuang) Co., Ltd	0.44%	46.47	2.71%	26.75	(4.06%)	(3.66)	2.14%	23.09
Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd.	2.98%	314.81	(27.31%)	(269.40)	98.48%	88.79	(16.77%)	(180.61)
Bodal Chemicals Trading Pvt. Ltd.	0.04%	4.44	(0.04%)	(0.44)	-	-	(0.04%)	(0.44)
Bodal Bangla Ltd.	0.01%	0.99	(0.21%)	(2.07)	0.05%	0.04	(0.19%)	(2.03)
PT Bodal Chemicals Indonesia	-	-	-	-	-	-	-	-
Associate								
Pluto Eco Enviro Association	-	-	-	-	-	-	-	-
Inter-Company eliminations & Consolidation adjustments	(8.39%)	(885.78)	(1.20%)	(11.79)	-	-	(1.10%)	(11.79)
Total	100.00%	10,557.99	100.00%	986.63	100.00%	90.16	100.00%	1,076.79

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

52. A Scheme of Amalgamation of S P S Processors Pvt. Ltd. (subsidiary) with the Parent Company (the “Scheme”) has been approved by the Board of Directors of the Parent Company at their meeting held on 29th October 2021, with effect from appointed date of 1st April 2021. In-principle approval and No-Objection certificate has been received from the BSE, NSE. After receipt of No-Objection certificate and in-principle approval from Stock Exchanges the Scheme has been filled with National Company Law Tribunal and awaiting for order for direction of Meetings of Creditors and Shareholders.

53. Business Combinations

During the previous year, the Parent Company w.e.f. 31st March 2021, had acquired the Chemical Unit known as ‘Siel Chemical Complex (SCC)’ of Mawana Sugars Ltd., located at Rajpura, Punjab, on a going concern basis. The Parent Company had accounted for the said acquisition in its books as a business acquisition in terms of Ind AS 103 - ‘Business Combinations’. Such Business Combination required that the assets and liabilities of SCC be accounted at fair value in the Financial Statements at acquisition date. The acquisition date for the business combination was 31st March 2021 and accordingly, it had been accounted on the provisional fair values bases. During the financial year, the Parent Company has finalised the fair valuation of assets and liabilities which had been accounted on provisional basis in previous year. The determination of such fair value have been carried out by the independent agency appointed by the Parent Company.

In accordance with the paragraph 49 of Ind AS 103 – “Business Combinations”, the consolidated financial statements have been revised for the comparative year. The financial effect of the increase to the figures in the comparative financial statements are given below:

31st March 2021

	(₹ in Million)
Property, Plant & Equipment	76.57
Capital Reserve	61.19
Deferred Tax Liability	15.38

Consequent to acquisition of SCC, w.e.f. 31st March 2021 the profit and loss for the year ended 31st March 2022 is not comparable with the previous year.

54. Money received against Share Warrants:

The Parent Company has not received the balance subscription amount of ₹1,293.80 million from the Warrant Holders before the extended due date i.e. 11th February 2021. Hence, the balance lying with the Group as ‘Upfront Warrants Subscription Account’, being amounts paid towards 25% of the issue price of the warrants, amounting to ₹431.3 million, stand forfeited in terms of Regulation 169 (3) of the SEBI (Issue of Capital and Disclosures Requirements) Regulations, upon non conversion of warrants into Equity shares by the warrant holders. The forfeited amount was transferred to the Capital Reserve account in the previous year.

55. Donation made to Political Party under provisions of Section 182 of the Companies Act, 2013.

	(₹ in Million)	
Name of Political Party	FY 2021-22	FY 2020-21
Bhartiya Janata Party	-	1.10

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

56. (a) Trade Payables Ageing Schedule as on 31st March 2022:

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	99.40	0.01	0.00	0.02	99.43
(ii) Others - billed	2,050.97	7.36	1.76	2.93	2,063.02
(iii) Others - unbilled	379.32	-	-	-	379.32
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
Total	2,529.69	7.37	1.76	2.95	2,541.77

(b) Trade Payables Ageing Schedule as on 31st March 2021:

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	108.57	0.00	-	0.02	108.59
(ii) Others - billed	1,872.12	5.17	0.40	6.58	1,884.27
(iii) Others - unbilled	231.40	-	-	-	231.40
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
Total	2,212.09	5.17	0.40	6.60	2,224.26

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

57. (a) Trade Receivables Ageing Schedule as on 31st March 2022:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months - 1 Year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	5,656.49	75.67	48.98	2.67	112.48	5,896.29
ii) Undisputed Trade Receivables – which have a significant increase in credit risk.	-	-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired.	1.81	2.57	1.63	0.02	-	6.03
(i) Disputed Trade receivables – considered good	-	-	-	-	-	-
ii) Disputed Trade Receivables – which have a significant increase in credit risk.	-	-	-	-	-	-
iii) Disputed Trade Receivables – credit impaired.	-	-	-	-	-	-
Total	5,658.29	78.24	50.61	2.69	112.48	5,902.32
Less : Allowances for Credit Losses						6.03
Trade Receivables						5,896.29

(b) Trade Receivables Ageing Schedule as on 31st March 2021:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months - 1 Year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	4,374.33	164.81	131.10	2.00	4.49	4,676.72
ii) Undisputed Trade Receivables – which have a significant increase in credit risk.						
iii) Undisputed Trade Receivables – credit impaired.	1.10	4.76	0.18	0.06	0.00	6.11
(i) Disputed Trade receivables – considered good						
ii) Disputed Trade Receivables – which have a significant increase in credit risk.						
iii) Disputed Trade Receivables – credit impaired.						
Total	4,375.43	169.57	131.28	2.06	4.49	4,682.83
Less : Allowances for Credit Losses						6.11
Trade Receivables						4,676.72

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

58. (a) Capital Work in Progress (CWIP) Ageing Schedule as on 31st March 2022:

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	680.31	14.98	-	-	695.29
Projects temporarily suspended	-	-	-	-	-
Total	680.31	14.98	-	-	695.29

(b) Capital Work in Progress (CWIP) Ageing Schedule as on 31st March 2021:

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	83.96	5.24	13.43	41.83	144.46
Projects temporarily suspended	-	-	-	-	-
Total	83.96	5.24	13.43	41.83	144.46

- (c) The Group does not have any Capital-work-in progress or intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

59. Other Statutory Information :

- (i) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies) other than as disclosed below, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Guarantee given to (Intermediary)	Details of Intermediary	Ultimate Beneficiary	Date of providing guarantee	Amount of guarantee (₹ in million)	Date of investment by Intermediary in Ultimate beneficiary	Amount of investment by Intermediary in Ultimate beneficiary (₹ in million)
Citibank N.A.	Citibank N.A. - 1st Floor, Kalapurnam Building, Near Municipal Market, C.G. Road, Ahmedabad	Sen-Er Boya Kimya Tekstil San. Tic. Ltd.	27-07-2021	200.85	14-03-2022	164.55

- (ii) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) The Group do not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

- (iv) Title deeds of all the Immovable Property are held in name of the Group.
- (v) The Group has complied with the Scheme of Arrangements as approved by the National Company Law Tribunal (NCLT) in terms of sections 230 to 237 of the Companies Act, 2013 as is accounted in the financial statements in accordance with accounting standards.
- (vi) There are no proceedings which have been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (vii) The Group has not been declared a wilful defaulter by any bank or financial institution.
- (viii) The Group has not identified any transaction with Companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 and has no balances outstanding from struck of Companies.
- (ix) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (x) Details of Crypto Currency or Virtual Currency - Not Applicable as the Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

60. The Parent Company has an investment in a wholly owned subsidiary, Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd. ("Sen-er Boya") aggregating ₹ 634.42 million as on 31st March 2022. Sen-er Boya's primary operations are in Turkey. The retranslation of Sen-er Boya's foreign operations is done in the current financial statements at the reporting date in accordance with Ind AS 21 "The Effects of Changes in Foreign Exchange". Considering the current inflation indices in Turkey and the qualitative indicators of hyperinflation present in Turkey, there is a likelihood that the financial information of Sen-er Boya will be compiled and presented in terms of recognition, measurement and disclosure principles of Ind AS 29 "Financial Reporting in Hyperinflationary Economies" w.e.f. quarter ended 30th June 2022, before retranslation of the foreign operations into the consolidated financial statements of the Group.

61. The Code on Social Security, 2020 and Code of wages, 2019 relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Codes have been published in the Gazette of India. However, the date on which the Codes will come into effect has not been notified. The Company and its Indian subsidiaries will assess the impact of the Codes when it comes into effect and will record any related impact in the period the Codes become effective.

For and on behalf of the Board of Directors

Suresh J. Patel
Chairman & Managing Director
DIN : 00007400

Mayur B. Padhya
Chief Financial Officer
Ahmedabad
27th May 2022

Bhavin S. Patel
Executive Director
DIN : 00030464

Ashutosh B. Bhatt
Company Secretary



Bodal Chemicals Ltd.[®]
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